ANGELES CHEMICAL COMPANY, INCORPORATED
8915 SORENSEN AVENUE
SANTA FE SPRINGS, CALIFORNIA 90670

BALANCE SHEET

	FOR PERIOD ENDING 4/30/93			FOR PERIOD ENDING 4/30/92			L/RK
ASSETS							
CURRENT ASSETS							
PETTY CASH		6,301.32			5,533.02		115.3
CASH IN BANK		310,585.24			338,670.07		91.7
SHORT TERM INVESTMENTS	.00			.00			
ALLOWANCE FOR MARKET VARIATION	.00			.00			
NET INVESTMENTS		.00			.00		
ACCOUNTS RECEIVABLE	983,788.98			1,029,657.41			95.5
ALLOWANCE FOR DOUBTFUL ACCOUNTS	5,000.00CR			20,186.15CR			24.8
NOTES RECEIVABLE	.00			.00			
NET RECEIVABLES - TRADE		978,788.98DR			1,009,471.26DR		97.0
ACCOUNTS RECEIVABLE - STALLION		153,094.70			112,553.95		136.0
ACCOUNTS RECEIVABLE - OTHER		3,117.74			15,692.46		19.9
ACCOUNTS RECEIVABLE - SAMSON		382,915.43			397,641.54		96.3
EMPLOYEE ADVANCES		4,643.85			3,817.32		121.7
INVENTORY - SOLVENTS AND CHEMICALS	613,036.11			527,492.67			116.2
INVENTORY PACKAGING	302,404.69			287,540.50			105.2
NET INVENTORY		915,440.80DR			815,033.17DR		112.3
INVENTORY EXPENSE ALLOCATION		.00			52,321.77		
INVENTORY - FUEL		4,981.19			3,343.39		149.0
PREPAID INCOME TAXES		.00CR			.00		-400.0
PREPAID INTEREST		.00			2,187.64		
PREPAID PROPERTY TAXES		1,506.92			1,557.37		96.8
PREPAID INSURANCE		152,355.43			140,994.25		108.1
PREPAID AUTO LEASE		518.00			475.00		109.1
PREPAID FEES		.00			3,300.00		
PREPAID OTHER EXPENSE		29,034.62			15,812.35		183.6
DEPOSITS		.00			.00		
TOTAL CURRENT ASSETS			2,944,064.22DR			2,922,406.56DR	100.7
FIXED ASSETS -- AT COST							
DRUMS	127,752.96			134,023.04			95.9
OFFICE TRAILERS	99,567.42			99,567.42			100.0
TRUCKS, TRAILERS AND AUTOS	204,944.30			219,335.36			93.4
TANKS AND PLANT EQUIPMENT	740,231.98			723,270.88			102.3
FURNITURE AND FIXTURES	215,785.20			214,708.06			100.5
PLANT	357,370.47			354,662.97			100.8
CONSTRUCTION IN PROCESS	.00			.00			
TOTAL FIXED ASSETS		1,745,674.41DR			1,747,567.75DR		99.9
LESS: ACCUMULATED DEPRECIATION		1,519,049.02CR			1,493,260.48CR		101.7
NET FIXED ASSETS			226,625.39DR			254,307.27DR	89.1
OTHER ASSETS							
TOTAL OTHER ASSETS			.00DR			.00DR	
***** TOTAL ASSETS *****			3,170,689.61DR			3,176,713.83DR	99.8
LIABILITIES AND SHAREHOLDERS' EQUITY							
CURRENT LIABILITIES							
ACCOUNTS PAYABLE	1,131,473.52			1,227,501.49			92.2

ANDELES CHEMICAL COMPANY, INCORPORATED
8915 SORENSEN AVENUE
SANTA FE SPRINGS, CALIFORNIA 90670

BALANCE SHEET

	FOR PERIOD ENDING 4/30/93			FOR PERIOD ENDING 4/30/92			L/R%
ACCRUED TANK TESTING	63,904.46			12,014.08			531.8
ACCRUED PAYROLL	5,846.64			18,055.22			32.4
ACCRUED COMMISSIONS PAYABLE	11,430.05			5,604.51			203.9
ACCRUED WORKMENS COMPENSATION INS.	8,095.40DR			.03			******
ACCRUED EXOP EXPENSE	1,350.00CR			.00CR			******
PAYROLL TAXES PAYABLE	1,561.96			3,332.60			46.9
SALES TAXES PAYABLE	4,457.95			3,223.37			138.3
INCOME TAXES PAYABLE	4,100.00			.00			
CUSTOMER DEPOSITS - CONTAINERS	59,685.00			59,685.00			100.0
EMPLOYEE BENEFIT AND WELFARE FUND	961.08DR			.00DR			******
NOTES PAYABLE CURRENT	85,046.11			69,856.16			121.7
ACCRUED PROFIT SHARING	.00			.00			
TOTAL CURRENT LIABILITIES		1,359,998.33			1,399,274.48		97.2
LONG TERM LIABILITIES							
NOTE PAYABLE-LT.	.00			.00DR			
TOTAL LONG TERM LIABILITIES		.00			.00DR		
**** TOTAL LIABILITIES ****			1,359,998.33			1,399,274.48	97.2
SHAREHOLDERS' EQUITY							
CAPITAL STOCK - $0.10 PAR VALUE							
1,000,000 SHARES AUTHORIZED							
54,065 SHARES ISSUED & OUTSTANDING		5,406.50			5,406.50		100.0
PAID IN CAPITAL		105,723.80			105,723.80		100.0
RETAINED EARNINGS - BEGINNING	1,649,076.46			1,643,803.35			100.3
NET INCOME OR (LOSS)	50,484.52CR			22,505.70CR			224.3
RETAINED EARNINGS		1,699,560.98			1,666,309.05		102.0
TOTAL SHAREHOLDERS' EQUITY			1,810,691.28			1,777,439.35	101.9
** TOTAL LIAB. & SHAREHOLDERS' EQUITY **			3,170,689.61			3,176,713.83	99.8

ANGELES CHEMICAL COMPANY, INCORPORATED
8915 SORENSEN AVENUE
SANTA FE SPRINGS, CALIFORNIA 90670

INCOME STATEMENT

	FOR 4/1/93 TO 4/30/93		%	FOR 5/1/92 TO 4/30/93		%	L/Y%
SALES		1,132,435.17CR	100.00		12,212,895.89CR	100.00	9.2
SALES DISCOUNTS, RETURNS & ALLOWANCES		3,598.74DR	.32		35,043.41DR	.28	10.3
PURCHASE PRICE VARIANCE		.00	.00		36,654.12CR	.30	.0
DEC.DEPT.LABOR VARIANCE		6,137.73CR	.54		33,757.27CR	.27	18.2
COST OF SALES		868,544.42DR	76.68		9,284,402.77DR	75.40	9.4
**** GROSS PROFIT ****		266,627.74CR	23.54		3,063,861.10CR	24.80	8.7
OPERATING EXPENSES							
PRODUCTION EXPENSES:							
PHYSICAL INVENTORY COUNT VARIANCE	675.71		.06	9,148.26CR		.07	-7.4
INVENTORY LOSS DAMAGED GOODS	41.02		.00	28,508.82		.23	.1
DIRECT LABOR	17,130.99		1.51	230,593.09		1.87	7.4
INDIRECT LABOR	2,619.88		.23	29,402.72		.24	8.9
PAYROLL TAXES	847.65		.07	26,289.06		.21	3.2
WORKMENS COMP.INS.	4,122.23		.36	55,793.70		.45	7.4
GROUP INSURANCE	4,485.93		.40	57,296.83		.47	7.8
EMPLOYEE MEDICAL BENEFITS	.00		.00	.00		.00	.0
OUTSIDE LABOR	33,254.69		2.94	348,776.76		2.83	9.5
AUTO/TVL	.00		.00	.00		.00	.0
DRUM MAINTENANCE	10,317.00		.91	118,623.16		.96	8.7
DUES/SUBSCRIPTIONS	.00		.00	1,602.46		.01	.0
EMPLOYEE WELFARE	487.22		.04	9,411.10		.08	5.1
EQUIP.RENTAL	518.00		.05	5,347.79		.04	9.7
FREIGHT IN	9,537.14		.84	60,451.79		.49	15.8
FREIGHT-OUT	13,423.90		1.19	130,065.08		1.06	10.3
INSURANCE P&L	10,702.90		.94	116,575.01		.95	9.2
LAB SUPPLIES	66.28		.01	800.66		.01	8.3
OFFICE SUPPLIES	.00		.00	478.13		.00	.0
PACKAGING PRINTING	62,944.11		5.55	83,144.11		.68	75.4
PLANT SUPPLIES	5,298.36		.47	97,726.24		.79	5.4
PROF.SERVICES	300.00		.03	1,520.00		.01	19.7
RENT	10,800.00		.95	127,100.00		1.03	8.5
PUBLIC WAREHOUSE EXPENSE	936.68		.08	5,780.01		.05	16.2
REPAIRS/MAINT.	2,116.21		.19	21,498.48		.17	9.8
TANK TESTING	62,000.00		5.47	79,600.00		.65	77.9
TAXES/LICENSES	1,948.92		.17	33,311.11		.27	5.9
TELEPHONE	104.00		.01	1,268.54		.01	8.2
TRUCK	21,543.61		1.90	186,464.27		1.51	11.6
UNIFORMS	.00		.00	.00		.00	.0
UTILITIES	1,244.46		.11	17,159.52		.14	7.3
WASTE DISPOSAL	.00		.00	2,043.20		.02	.0
TOTAL PRODUCTION EXPENSES		277,374.76DR	24.49		1,867,703.30DR	15.17	14.9
SALES EXPENSES:	.00		.00	.00		.00	.0
SALES SALARIES	18,805.01		1.66	170,292.68		1.38	11.0
PAYROLL TAXES	1,272.40		.11	16,097.60		.13	7.9
WORKMENS COMP.INS.	523.70		.05	6,380.39		.05	8.2
GROUP INSURANCE	789.60		.07	13,187.04		.11	6.0

ANGELES CHEMICAL COMPANY, INCORPORATED
8915 SORENSEN AVENUE
SANTA FE SPRINGS, CALIFORNIA 90670

INCOME STATEMENT

	FOR 4/1/93 TO 4/30/93		%	FOR 5/1/92 TO 4/30/93		%	L/RX
EMPLOYEE MEDICAL BENEFITS	.00		.00	.00		.00	.0
OUTSIDE LABOR	.00		.00	.00		.00	.0
ADVERTISING	1,483.35		.13	16,420.09		.13	9.0
AUTO/TRVL.	4,603.71		.41	49,706.92		.40	9.3
COMMISSIONS	3,326.68		.29	39,803.19		.32	8.4
DUES/SUBSCRIPTIONS	.00		.00	377.95		.00	.0
EMPLOYEE WELFARE	.00		.00	.00		.00	.0
EQUIP.RENTAL	76.95		.01	928.49		.01	8.3
OFFICE SUPPLIES	36.28		.00	1,278.80		.01	2.8
POSTAGE	.00		.00	31.00		.00	.0
PROF.SERVICES	1,092.00		.10	1,092.00		.01	100.0
RENT	.00		.00	.00		.00	.0
REPAIRS/MAINT.	.00		.00	.00		.00	.0
SALES PROMOTION TRAVEL	2,259.66		.20	17,710.22		.14	12.8
SALES PROMOTION ENTERTAINMENT	4,492.37		.40	34,472.69		.28	13.0
TAXES/LICENSES	.00		.00	.00		.00	.0
TELEPHONE	2,014.93		.18	23,970.88		.19	8.4
TOTAL SALES EXPENSES		40,774.92DR	3.60		391,951.94DR	3.18	10.4
ADMINISTRATIVE EXPENSES:	.00		.00	.00		.00	.0
ADMIN.SALARIES	17,695.64		1.56	214,341.10		1.74	8.3
PAYROLL TAXES	1,281.93		.11	14,917.08		.12	8.6
WORKMENS COMP.INS.	528.32		.05	5,351.13		.04	9.9
GROUP INSURANCE	2,604.90		.23	27,208.08		.22	9.6
EMPLOYEE MEDICAL BENEFITS	.00		.00	.00		.00	.0
OUTSIDE LABOR	3,094.70		.27	13,403.11		.11	23.1
AUTO/TVL	427.56		.04	4,514.56		.04	9.5
BAD DEBT	25,754.96		2.27	46,254.94		.38	55.7
COMPUTER	7,036.91		.62	28,412.87		.23	24.8
DIRECTORS FEES	.00		.00	.00		.00	.0
DONATIONS	.00		.00	150.00		.00	.0
DUES/SUBSCRIPTIONS	1,183.48		.10	11,651.91		.09	10.2
EMPLOYEE WELFARE	114.64		.01	1,555.98		.01	7.4
EQUIP.RENTAL	.00		.00	1,515.29		.01	.0
INSURANCE-PROPERTY	400.00		.04	4,800.00		.04	8.3
MISC. EXPENSE	.00		.00	.00		.00	.0
OFFICE EXPENSE	1,349.37		.12	19,858.21		.16	6.8
POSTAGE	384.52		.05	8,925.92		.07	4.5
PROF.SERVICES	2,072.60CR		.18	39,341.51DR		.32	-5.3
PROFIT SHARING	1,350.00		.12	16,200.00		.13	8.3
RENT	1,000.00		.09	11,000.00		.09	9.1
REPAIRS/MAINT.	545.43		.05	7,550.02		.06	7.5
TAXES/LICENSES	230.00		.02	3,904.05		.03	5.9
TELEPHONE	.00		.00	.00		.00	.0
UTILITIES	217.10		.02	3,517.36		.03	6.2
TOTAL ADMINISTRATIVE		63,348.06DR	5.59		484,393.94DR	3.93	13.1
DEPRECIATION		3,110.72DR	.28		40,157.52DR	.33	7.8
COMMISSIONS-MORTZ		11,524.65DR	1.02		120,695.59DR	.98	9.5
* TOTAL OPERATING EXPENSES *		396,145.31DR	34.98		2,904,902.37DR	23.57	13.6

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INCOME STATEMENT

	FOR 4/1/93 TO 4/30/93		%	FOR 5/1/92 TO 4/30/93		%	L/R%
** OPERATING INCOME OR (LOSS) **		129,517.57DR	11.44		158,958.73CR	1.29	-81.5
OTHER INCOME							
PURCHASE DISCOUNTS	7.05		.00	345.05		.00	2.0
DEMURRAGE CHARGED	.00		.00	107.42		.00	.0
DIVIDEND INCOME	.00		.00	.00		.00	.0
INTEREST INCOME	615.38		.05	7,841.11		.06	7.8
LEASING INCOME	.00		.00	.00		.00	.0
SALE OF ASSETS	250.00		.06	2,650.00		.02	24.5
TERMINALING CHARGES	3,433.83		.30	33,165.88		.27	10.4
MISCELLANEOUS	.00		.00	960.59		.01	.0
		4,206.26CR	.42		45,090.05CR	.37	10.4
OTHER EXPENSE							
INTEREST EXPENSE	1,071.90		.07	5,818.13		.05	18.4
SAMSON INCOME SPLIT	13,371.83		1.18	138,889.14		1.13	9.6
CONSULTANT EXPENSE	.00		.00	.00		.00	.0
ACQUISITION START-UP EXPENSE	.00		.00	.00		.00	.0
LIABILITY CLAIMS	2,250.00		.20	2,250.00		.02	100.0
		16,693.73DR	1.47		146,957.27DR	1.19	11.4
EXTRAORDINARY ITEMS							
OTHER	.00		.00	.00		.00	.0
		.00	.00		.00	.00	.0
NET INCOME OR (LOSS) BEFORE TAXES		141,505.04DR	12.49		57,091.51CR	.46	-247.9
PROVISION FOR TAXES		4,486.66DR	.40		6,606.96DR	.05	67.9
***** NET INCOME OR (LOSS) *****		145,991.70DR	12.89		50,484.55CR	.41	-289.2

Univar Corp. 2370

NYSE Symbol UVX

Price	Range	P-E Ratio	Dividend	Yield	S&P Ranking	Beta
Sep. 23'93	1993					
11⅞	14¼–9¼	46	0.30	2.5%	B–	1.40

Summary

Univar distributes a broad range of chemicals and related products and is one of the largest industrial chemical distributors in North America. Earnings for the first half of fiscal 1993-94 were restricted by unfavorable foreign currency exchange rates and higher operating expenses in the U.S. A put agreement with Dow Chemical Co. could result in almost a 15% increase in the number of shares outstanding before 1993 year-end. Royal Pakhoed N.V. owns about 31% of the stock.

Business Summary

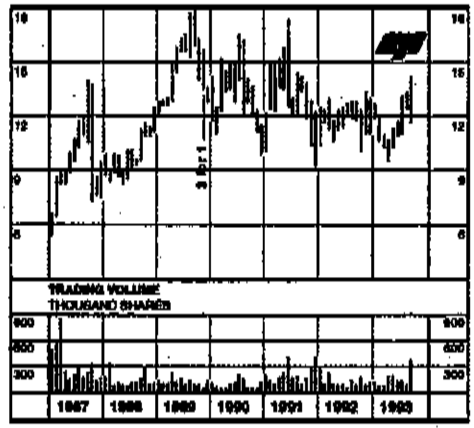
Univar is a leading distributor in the U.S., Canada, and Europe of industrial, textile, agricultural and pest control chemicals and related products.

During fiscal 1991-92, Univar acquired four European chemical distribution companies and formed Univar Europe (51% owned) to coordinate these operations in Scandinavia, the U.K., Switzerland and Italy; it also acquired Hacros Chemicals Canada Inc. During 1992-93, the company completed two U.S. business acquisitions for $11.1 million. International sales accounted for 32% of total sales in 1992-3.

UVX operates principally in one market segment, chemical distribution through three wholly or majority owned subsidiaries. Van Waters & Rogers Inc., which handles all U.S. distribution activities, was formed following the merger of McKesson and the company's Van Waters & Rogers division. Canadian operations are conducted through the Van Waters & Rogers Ltd. unit. Univar Europe N.V. (51% owned) was formed to acquire the Beijer Industrial Group in June 1991.

As a distributor of industrial and agricultural chemicals and related products, UVX purchases chemicals from manufacturers in truck, railcar, or tankcar quantities and sells them in smaller quantities to various customers. Univar believes it adds value to its products through superior service, selection, and delivery reliability. Although the company is one of the largest industrial chemical distributors in North America and has expanded its operations to Western Europe, UVX faces significant competition from distributors who have a larger market share within local and regional markets as well as from other national distributors.

The company provides a hazardous waste management service in the U.S. called ChemCare. The service allows UVX to maximize the use of existing equipment, facilities and chemical handling knowledge by assisting customers in te responsible recollection and disposition of their chemical waste streams.



UVX operates from 154 facilities with a total of about 5.0 million square feet of combined office and warehouse space, of which 3.5 million is owned and the remainder leased.

Important Developments

Aug. '93— Van Waters & Rogers Inc. (100%-owned) said it was engaged in discussions concerning the sale of its textile chemical distribution business. The business contributed about $37 million in sales in 1992-93. UVX said the business would be sold in parts to leading textile chemical distribution firms in several geographic markets.

Next earnings report expected in late December.

Per Share Data ($)

Yr. End Feb. 28	1993	[1]1992	1991	1990	1989	[1]1988	[1]1987	1986	1985	1984
Tangible Bk. Val.	[2]8.32	[2]8.59	8.42	7.53	6.57	5.54	4.90	4.02	[2]8.55	[2]9.21
Cash Flow	1.57	0.56	1.90	2.03	1.92	1.42	0.67	0.81	1.97	1.14
Earnings[3]	0.26	d0.29	1.10	1.22	1.13	0.64	0.06	0.38	1.43	0.67
Dividends	0.30	0.30	0.30	0.30	0.20	0.10	0.10	0.40	0.34	0.34
Payout Ratio	115%	NM	27%	24%	17%	16%	182%	105%	24%	51%
Calendar Years	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983
Prices—High	13⅜	17⅜	16⅜	17⅞	12½	14	12¾	12¾	13½	13¾
Low	10	9¼	9⅞	12¼	6¼	5⅜	4¾	8⅛	7⅜	6⅛
P/E Ratio—	51–38	NM	15–9	15–10	11–7	22–8	NM	34–21	9–5	21–12

Data as orig. reptd. Adj. for stk. div. of 100% Nov. 1989. 1. Refl. merger or acq. 2. Incl. intangibles. 3. Bef. results of disc. ops. of +0.57 in 1986, +0.17 in 1984. d-Deficit. NM-Not Meaningful.

September 30, 1993

Standard & Poor's Corp.
25 Broadway, NY, NY 10004

BR000205

2370

Univar Corporation

Income Data (Million $)

Year Ended Feb. 28	Revs.	Oper. Inc.	% Oper. Inc. of Revs.	Cap. Exp.	Depr.	Int. Exp.	Net Bef. Taxes	Eff. Tax Rate	Net Inc.	% Net Inc. of Revs.	Cash Flow
1993	1,801	47.1	2.6	11.7	25.9	16.2	8.4	33.4%	5.1	0.3	31.0
[1]1992	1,558	28.0	1.8	79.9	16.4	15.4	d7.8	NM	d5.6	NM	10.8
1991	1,396	56.0	4.0	41.4	14.2	13.6	33.6	41.6%	19.6	1.4	33.8
1990	1,379	61.5	4.5	39.6	14.4	14.4	36.0	40.2%	21.5	1.6	35.9
1989	1,308	56.0	4.3	31.6	13.8	12.2	[3]33.9	41.0%	20.0	1.5	33.8
[1]1988	1,117	42.9	3.8	18.9	13.7	10.3	[3]21.4	47.9%	11.2	1.0	24.9
[1]1987	693	14.8	2.1	85.8	8.2	6.3	[3]1.5	52.4%	0.7	0.1	8.9
[2]1986	538	16.2	3.0	10.4	4.8	6.1	[3]6.6	35.3%	4.3	0.8	9.1
1985	952	25.7	2.7	16.2	6.0	9.8	[3]25.5	38.0%	15.8	1.7	21.8
[2]1984	881	24.8	2.8	12.5	5.2	8.4	[3]12.3	40.0%	[4]7.4	0.8	12.6

Balance Sheet Data (Million $)

Feb. 28	Cash	Curr. Assets	Curr. Liab.	Curr. Ratio	Total Assets	% Ret. on Assets	Long Term Debt	Common Equity	Total Cap.	% LT Debt of Cap.	% Ret. on Equity
1993	29.5	399	305	1.3	692	0.7	170	163	360	47.3	3.1
1992	17.3	405	290	1.4	716	NM	201	168	402	49.9	NM
1991	16.7	298	209	1.4	526	3.9	136	148	307	44.1	14.0
1990	13.3	276	204	1.4	477	4.7	116	132	259	44.9	17.4
1989	7.5	260	196	1.3	431	4.8	103	115	219	47.2	18.9
1988	6.6	235	167	1.4	395	3.0	115	96	211	54.7	12.3
1987	Nil	194	143	1.4	347	0.2	103	85	190	54.2	0.9
1986	0.1	107	77	1.4	187	1.7	59	45	108	54.8	6.1
1985	4.5	212	140	1.5	303	5.3	61	96	161	38.1	15.9
1984	2.3	188	125	1.5	287	2.2	53	102	159	33.6	7.4

Data as orig. reptd. 1. Refl. merger or acq. 2. Excl. disc. ops. 3. Incl. equity in earns. of nonconsol. subs. 4. Refl. acctg. change. d-Deficit. NM-Not Meaningful.

Net Sales (Million $)

Quarter:	1993–94	1992–93	1991–92	1990–91
May	488	468	377	362
Aug.	474	464	367	362
Nov.		453	404	353
Feb.		416	410	319
		1,801	1,558	1,396

Sales for the six months ended August 31, 1993, rose 3.2%, year to year, on gains in both U.S. and foreign markets. However, profitability was restricted by unfavorable currency exchange rates and by higher operating expenses as a percentage of sales in the U.S. in support of new re-engineering and strategic planning programs. Pretax income declined 3.3%. After taxes at 38.0% versus 37.8%, and minority interest, net income was down 3.1%. Earnings per share were equal to $0.27 in both periods.

Common Share Earnings ($)

Quarter:	1993–94	1992–93	1991–92	1990–91
May	0.17	0.13	0.06	0.32
Aug.	0.10	0.15	d0.43	0.32
Nov.		d0.04	0.03	0.26
Feb.		0.03	0.07	0.20
		0.26	d0.29	1.10

d-Deficit.

Finances

Under an agreement, UVX can require Dow Chemical Co. to buy up to 2.9 million more shares until December 31, 1993, although Dow's ownership cannot exceed 21%; Dow already holds about a 10% stake in UVX. Pricing of the stock is on an escalating basis which at May 31, 1993, was $18.23.

Dividend Data

Cash has been paid each year since 1935.

Amt of Divd. $	Date Decl.	Ex-divd. Date	Stock of Record	Payment Date
0.07½	Oct. 23	Nov. 3	Nov. 9	Dec. 1'92
0.07½	Jan. 27	Feb. 2	Feb. 8	Mar. 2'93
0.07½	Apr. 28	May 4	May 10	Jun. 1'93
0.07½	Jun. 25	Aug. 3	Aug. 9	Aug. 31'93

Capitalization

Long Term Debt: $157,234,000 (5/93).

Minority Interest: $1,506,000.

Common Stock: 19,630,162 shs. ($0.33⅓ par).
Royal Pakhoed N.V. owns about 31%.
Institutions hold about 16%.
Shareholders of record: 6,300 (2/93).

Office—6100 Carillon Point, Kirkland, WA 98033. Tel—(206) 889-3400. Chrmn—J. H. Wiborg. Pres & CEO—J. W. Bernard. Secy—W. A. Butler. VP-Treas & Investor Contact—Gary E. Pruitt. Dirs—J. W. Bernard, R. E. Engebrecht, M. W. Hooper, R. L. Kessler, C. P. Lindley, N. S. Rogers, R. S. Rogers, A. V. Smith, W. K. Street, R. E. Wenek, N. J. Westdijk, J. H. Wiborg. Transfer Agent & Registrar—First Interstate Bank Ltd., Calabasas, Calif. Incorporated in Delaware in 1966. Empl—3,325.

 Mark Mattke

Company(Market)	Ticker Symbol	04/30 Close Price ($)
Uniroyal Tech (A)	UTC	[illegible]
[illegible]	UVX	[illegible]
[illegible]	WII	4.75
W D 40 Co (M)	WDFC	46.76

111 COMMUNICATIONS

Company(Market)	Ticker Symbol	04/30 Close Price ($)
INDUSTRY GROUP DATA		[illegible]
ACC Co (M)	ACCC	12.50
ADC Telecommunications (M)	ADCT	41.25
ALC Comms Cp (A)	ALC	17.75
ALLTEL Co (N)	AT	52.00
Am Mobile Sys (M)	[illegible]	7.00
Am Tele & Telegr (N)	T	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	AMKI	2.38
[illegible]	APSE	6.75
[illegible]	[illegible]	9.75
Ariel Comms Cp (M)	[illegible]	4.25
[illegible]	[illegible]	[illegible]
[illegible]	ATM	11.38
BCE Inc (N)	BCE	[illegible]
[illegible]	[illegible]	51.38
[illegible]	BLS	[illegible]
[illegible]	BTY	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	3.06
C TEC (O)	[illegible]	13.00
CIDCO Cp (M)	[illegible]	13.38
[illegible]	CWP	[illegible]
[illegible]	CS	87.75
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	CBLX	[illegible]
Cellular Comm A (M)	[illegible]	77.75
[illegible]	[illegible]	4.88
Cellular Comm PR (M)	[illegible]	14.75
Cellular Inc (M)	[illegible]	13.00
[illegible]	[illegible]	7.77
[illegible]	CLU	3.75
[illegible]	CYCL	16.50
Comsat Corp (N)	CMTX	1.75

BR000207

REPORT OF

ANGELES CHEMICAL COMPANY, INCORPORATED

APRIL 30, 1993

REPORT OF

ANGELES CHEMICAL COMPANY, INCORPORATED

APRIL 30, 1993

ARCHER, BULMAHN, JENKINS & BOWLER
CERTIFIED PUBLIC ACCOUNTANTS

626 SOUTH LAKE AVENUE • PASADENA, CALIFORNIA 91106

To The Board of Directors
Angeles Chemical Company, Incorporated

We have compiled the accompanying balance sheet of Angeles Chemical Company, Incorporated as of April 30, 1993 and the related statements of income and cash flows for the year then ended, in accordance with statements on standards for accounting and review services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or performed a review service on the accompanying financial statements, and accordingly, do not express an opinion or any other form of assurance of them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Archer, Bulmahn, Jenkins + Bowler

CERTIFIED PUBLIC ACCOUNTANTS

December 30, 1993

ANGELES CHEMICAL COMPANY, INCORPORATED
BALANCE SHEET
(UNAUDITED)
APRIL 30, 1993

ASSETS

CURRENT ASSETS				
Cash & cash equivalants			$	316,966
Accounts receivable	$	983,789		
Allowance for doubtful accounts		(5,000)		
Net accounts receivable				978,789
Accounts receivable - Stallion				153,895
Accounts receivable - other non-operating				3,118
Accounts receivable - Samson				359,129
Employee advances				4,644
Inventories				920,422
Prepaid property tax				1,507
Prepaid insurance				152,873
Prepaid other				21,977
Prepaid excise tax-fuel				7,058
Total current assets				2,920,378
FIXED ASSETS				
Office trailer				99,567
Trucks & autos				204,966
Tanks & plant equipment				740,232
Furniture & fixtures				215,785
Plant				357,370
Drums				127,753
Total fixed assets				1,745,673
Less: accumulated depreciation				(1,522,660)
Net fixed assets				223,013
OTHER ASSETS				
Investment in Samson				23,686
Total assets			$	3,167,077

See accountants' compilation report

ANGELES CHEMICAL COMPANY, INCORPORATED
BALANCE SHEET
(UNAUDITED)
APRIL 30, 1993

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Notes payable		$ 85,046
Accounts payable		1,112,276
Accrued tank testing		63,904
Accrued commissions		11,430
Accrued payroll and sales taxes		6,019
Other accrued liabilities		17,536
Drum deposits		59,685
State income taxes payable		1,731
Total current liabilities		1,357,627
STOCKHOLDERS' EQUITY		
Common Stock - $.10 Par Value, 1,000,000 shares authorized, 54,065 shares issued & outstanding		5,407
Paid in Capital		105,724
Retained earnings - beginning	$ 1,649,076	
Net income	49,243	
Retained earnings		1,698,319
Total stockholders' equity		1,809,450
Total liabilities and stockholders' equity		$ 3,167,077

See accountants' compilation report

ANGELES CHEMICAL COMPANY, INCORPORATED
STATEMENT OF INCOME
(UNAUDITED)
FOR THE YEAR ENDED APRIL 30, 1993

		% Of Sales
SALES	$ 8,103,337	100.00%
COST OF SALES	5,690,953	70.23%
Gross profit	2,412,384	29.77%
OPERATING EXPENSES		
Salaries & wages	464,556	5.73%
Outside Labor	362,180	4.47%
Insurance	233,829	2.89%
Truck expense	162,836	2.01%
Freight	157,692	1.95%
Commisions - Bortz	153,771	1.90%
Rent	143,880	1.78%
Repairs & maintenance	128,961	1.59%
Plant expense	97,726	1.21%
Printing expense	83,666	1.03%
Tank testing & lab expense	80,401	.99%
Auto & Travel	55,345	.68%
Bad debts	46,255	.57%
Telephone & utilities	45,912	.57%
Depreciation	43,768	.54%
Payroll taxes	42,617	.53%
Professional services	40,882	.50%
Taxes & licenses	37,271	.46%
Business promotion	30,950	.38%
Office supplies	28,772	.36%
Computer expense	28,413	.35%
Advertising	16,420	.20%
Profit sharing expense	16,200	.20%
Employee welfare	11,167	.14%
Dues & subscriptions	10,424	.13%
Equipment rental	7,792	.10%
Seminars and meetings	3,085	.04%
Donations	150	.00%
Total operating expenses	$ 2,534,921	31.28%
Operating loss	$ (122,537)	(1.51%)

See accountant's compilation report

ARCHER, BULMAHN, JENKINS & BOWLER
CERTIFIED PUBLIC ACCOUNTANTS

ANGELES CHEMICAL COMPANY, INCORPORATED
STATEMENT OF INCOME
(UNAUDITED)
FOR THE YEAR ENDED APRIL 30, 1993

		% Of Sales
OTHER INCOME OR (EXPENSE)		
Income split-Samson	138,889	1.71%
Terminaling charges	33,166	.41%
Interest income	7,861	.10%
Gain on sale of assets	2,650	.03%
Miscellaneous income	1,338	.02%
Miscellaneous expense	(2,175)	(.03%)
Interest expense	(5,818)	(.07%)
Total other income	175,911	2.17%
Income before income taxes	53,374	.66%
Provision for income taxes	(4,131)	(.05%)
Net income	$ 49,243	.61%

See accountant's compilation report

ANGELES CHEMICAL COMPANY, INCORPORATED
STATEMENT OF INCOME DETAIL
(UNAUDITED)
FOR THE YEAR ENDED APRIL 30, 1993

Solvents - sales	$	2,845,838	35.12%
Returns & allowances		(260)	.00%
Total sales		2,845,578	35.12%
Cost of sales		2,200,421	27.15%
Gross profit	$	645,157	7.96%
Packaging - sales	$	1,284,455	15.85%
Returns & allowances		(11,866)	(.15%)
Total sales		1,272,589	15.70%
Cost of sales		948,121	11.70%
Gross profit	$	324,468	4.00%
Bortz - sales	$	4,008,087	49.46%
Returns & allowances		(16,021)	(.20%)
Sales Discounts		(6,896)	(.09%)
Total sales		3,985,170	49.18%
Cost of sales		2,542,411	31.37%
Gross profit	$	1,442,759	17.80%
Total gross profit	$	2,412,384	29.77%

ANGELES CHEMICAL COMPANY, INCORPORATED
STATEMENT OF CASH FLOWS
(UNAUDITED)
FOR THE YEAR ENDED APRIL 30, 1993

CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income		$ 49,243
Adjustments to reconcile net income to Net Cash used in Operating Activities:		
Depreciation	$ 43,768	
Equity in income of affiliate	(138,889)	
Decrease in accounts receivable	34,254	
Increase in inventory	(45,724)	
Increase in prepaid expense	(13,920)	
Drecrease in drums inventory	8,288	
Decrease in accounts payable	(107,903)	
Increase in accrued expenses	49,385	
Derease in customer deposits	(315)	
Increase in income tax payable	203	
Total adjustments		(170,853)
Net Cash used in operating activities		(121,610)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Employee advances	(13,452)	
Collections on employee advances	12,625	
Capital expenditures	(20,746)	
Distributions from affiliate	152,381	
Net cash provided by investing activities		130,808
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from note payable	153,083	
Repayment of note payable	(137,893)	
Net cash provided by financing activities		15,190
Net increase in cash		24,388
Cash at the beginning of the year		292,578
Cash at the end of the year		$ 316,966

See accountants' compilation report

ARCHER, BULMAHN, JENKINS & BOWLER
CERTIFIED PUBLIC ACCOUNTANTS

B R A M S T E D T

and Associates Incorporated

Financial Consulting

Business Valuations

Financial Analysis

December 22, 1992

Employee Stock Ownership Plan
Administrative Committee
Angeles Chemical Co., Inc.
P.O. Box 2163
Santa Fe Springs, California 90670

Attn: Mr. John Locke

You have requested that we express an opinion as to the fair market value of the common stock of Angeles Chemical Co., Inc. ("Anchem" or the "Company") as of April 30, 1992 for Employee Stock Ownership Trust (ESOT) purposes. The purpose of this letter is to advise you of our opinion of value. The formal evaluation report will be forwarded under separate cover when completed.

In arriving at an appraisal of fair market value, some primary determinants of value are return on investment, growth potential and the investor's perception of risk. We have examined these factors as well as liquidity and other financial elements in analyzing the operating and financial performance of Anchem.

Our review and analysis places a fair market value on the common equity ownership of Anchem as of April 30, 1992 of $1,621,000 or $30.00 per share based on 54,065 shares outstanding. It is derived from a modified adjusted book value approach and is discounted for restricted marketability.

It is important to note that this per-share fair market value is for transactions involving minority interest(s) in the Company's common stock. It does not reflect the value of Anchem as an entity or the value of a block of stock which would give a single buyer control of the Company. The value established is based on financial information through April 1992. Accordingly, this value should be valid not only for that date, but also for a reasonable period beyond it.

2402 Vista Del Mar Lane Tiburon, CA 94920-1206 Tel 415-435-9438 Fax 415-435-9438

114 Sansome St., Suite 808 San Francisco, CA 94104-3818 Tel 415-362-9900 Fax 415-362-6492

The valuation conclusion and the appraisal report are being prepared by Bramstedt & Associates as a subcontractor to Sansome Street Appraisers, Inc.

Sincerely,

BRAMSTEDT & ASSOCIATES, INC.

Eric M. Bramstedt

Eric M. Bramstedt, CFA

EMB:ew

cc: Tim Mahoney

REPORT OF

ANGELES CHEMICAL COMPANY, INC.

APRIL 30, 1992

REPORT OF

ANGELES CHEMICAL COMPANY, INC.

APRIL 30, 1992

ARCHER, BULMAHN & CO.
626 SOUTH LAKE AVENUE
PASADENA, CALIFORNIA 91106

TO THE BOARD OF DIRECTORS
ANGELES CHEMICAL COMPANY, INCORPORATED

WE HAVE COMPILED THE ACCOMPANYING BALANCE SHEET OF ANGELES CHEMICAL COMPANY, INCORPORATED AS OF APRIL 30, 1992 AND THE RELATED STATEMENTS OF INCOME AND CASH FLOWS FOR THE YEAR THEN ENDED, IN ACCORDANCE WITH STANDARDS ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS.

A COMPILATION IS LIMITED TO PRESENTING IN THE FORM OF FINANCIAL STATEMENTS INFORMATION THAT IS THE REPRESENTATION OF MANAGEMENT. WE HAVE NOT AUDITED OR PERFORMED A REVIEW SERVICE ON THE ACCOMPANYING FINANCIAL STATEMENTS, AND ACCORDINGLY, DO NOT EXPRESS AN OPINION OR ANY OTHER FORM OF ASSURANCE ON THEM.

MANAGEMENT HAS ELECTED TO OMIT SUBSTANTIALLY ALL OF THE DISCLOSURES REQUIRED BY GENERALLY ACCEPTED ACCOUNTING PRINCIPLES. IF THE OMITTED DISCLOSURES WERE INCLUDED IN THE FINANCIAL STATEMENTS, THEY MIGHT INFLUENCE THE USER'S CONCLUSIONS ABOUT THE COMPANY'S FINANCIAL POSITION, RESULTS OF OPERATIONS, AND CASH FLOWS. ACCORDINGLY, THESE FINANCIAL STATEMENTS ARE NOT DESIGNED FOR THOSE WHO ARE NOT INFORMED ABOUT SUCH MATTERS.

Archer, Bulmahn & Co.

CERTIFIED PUBLIC ACCOUNTANTS

NOVEMBER 6, 1992

ANGELES CHEMICAL COMPANY, INCORPORATED
BALANCE SHEET
UNAUDITED
APRIL 30, 1992

A S S E T S

CURRENT ASSETS		
PETTY CASH		$ 5,254.02
CASH IN BANK		(173,966.13)
CASH IN BANK - PAYROLL		(8,373.22)
CASH IN BANK -BORTZ		458,206.13
CASH IN MONEY MARKET		11,457.32
ACCOUNTS RECEIVABLE	1,030,926.26	
ALLOW. FOR DOUBTFUL ACCTS.	(20,257.15)	
NET ACCOUNTS RECEIVABLE		1,010,669.11
ACCTS. REC. - STALLION		112,553.95
ACCTS. REC. - OTHER NON-OPERATING		46,829.88
ACCTS. REC. - SAMSON		364,003.57
EMPLOYEE ADVANCES		3,817.32
INVENTORY - CHEMICALS		527,492.67
INVENTORY -PACKAGING		67,523.54
INVENTORY -PKG.-BORTZ		276,338.73
INVENTORY -GASOLINE		3,343.39
PREPAID INTEREST		2,187.64
PREPAID PROPERTY TAX		1,557.37
PREPAID INSURANCE		140,996.25
PREPAID AUTO INSURANCE		475.00
PREPAID CONSULTANTS FEES		3,300.00
PREPAID OTHER		14,758.85
PREPAID EXCISE TAX -FUEL		6,220.00
TOTAL CURRENT ASSETS		2,874,645.39
FIXED ASSETS		
OFFICE TRAILER	99,567.42	
TRUCKS & AUTOS	219,335.36	
TANKS & PLANT EQUIPMENT	723,270.88	
FURNITURE & FIXTURES	214,708.06	
PLANT	354,662.97	
DRUMS	136,040.56	
TOTAL FIXED ASSETS	1,747,585.25	
LESS: ACCUMULATED DEPRECIATION	(1,493,260.48)	
NET FIXED ASSETS		254,324.77
OTHER ASSETS		
INVESTMENT IN SAMSON	32,303.53	
TOTAL OTHER ASSETS		32,303.53
TOTAL ASSETS		$ 3,161,273.69

SEE ACCOUNTANTS' COMPILATION REPORT

ANGELES CHEMICAL COMPANY, INCORPORATED
BALANCE SHEET
UNAUDITED
APRIL 30, 1992

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
NOTES PAYABLE	$ 69,856.16	
ACCOUNTS PAYABLE	1,220,178.86	
OTHER ACCRUED LIABILITIES	7,254.92	
ACCRUED TANK TESTING	12,016.08	
ACCRUED PAYROLL	18,055.22	
ACCRUED COMMISSIONS	5,604.51	
ACCRUED WORKMANS COMP.INS.	0.03	
SUI PAYABLE	2,422.18	
FUTA PAYABLE	910.42	
SALES TAX PAYABLE	3,240.55	
CALIF. FRANCHISE TAX PAYABLE	1,528.00	
DRUM DEPOSITS	60,000.00	
TOTAL CURRENT LIABILITIES		1,401,066.93
LONG-TERM LIABILITIES		
TOTAL LIABILITIES		1,401,066.93
STOCKHOLDERS' EQUITY		
COMMON STOCK - $.10 PAR VALUE, 1,000,000 SHS. AUTHORIZED, 54,065 SHS. ISSUED & OUTSTANDING		5,406.50
PAID IN CAPITAL		105,723.80
RETAINED EARNINGS - BEGINNING	$ 1,643,803.35	
NET INCOME OR (LOSS)	5,273.11	
RETAINED EARNINGS		1,649,076.46
TOTAL STOCKHOLDERS' EQUITY		1,760,206.76
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		$ 3,161,273.69

SEE ACCOUNTANTS' COMPILATION REPORT

ANGELES CHEMICAL COMPANY, INCORPORATED
STATEMENT OF INCOME
UNAUDITED
FOR THE TWELVE MONTHS ENDED APRIL 30, 1992

		YEAR TO DATE	%
SALES		$ 8,050,881.29	100.00
COST OF SALES		6,104,885.87	75.83
GROSS PROFIT		1,945,995.42	24.17
OPERATING EXPENSES			
ADMINISTRATIVE SALARIES		105,627.39	1.31
OFFICE WAGES		88,237.66	1.10
SALES WAGES		59,694.80	0.74
DIRECT WAGES	$452	165,830.44	2.06
INDIRECT WAGES		32,129.24	0.40
PAYROLL TAXES		44,150.49	0.55
WORKMANS COMP. INSURANCE		68,296.75	0.85
GROUP INSURANCE		93,016.01	1.16
OUTSIDE LABOR		219,174.51	2.72
ADVERTISING		16,692.97	0.21
AUTO & TRAVEL		43,574.49	0.54
BAD DEBTS		12,000.00	0.15
COMPUTER EXPENSE		10,124.63	0.13
DONATIONS		250.00	0.00
DRUM MAINTENANCE		106,868.10	1.33
DUES & SUBSCRIPTIONS		11,041.71	0.14
SEMINARS AND MEETINGS		2,841.42	0.04
EMPLOYEE WELFARE		11,389.04	0.14
EQUIPMENT RENTAL		2,436.74	0.03
FREIGHT-IN		64,275.50	0.80
FREIGHT OUT	105	40,971.96	0.51
CASUALTY INSURANCE		79,981.93	0.99
LAB EXPENSE		854.32	0.01
OFFICE SUPPLIES		20,133.94	0.25
PRINTING PREP. EXPENSE		14,580.33	0.18
PLANT EXPENSE		82,463.07	1.02
POSTAGE		6,681.60	0.08
PROFESSIONAL SERVICES		59,082.57	0.73
PROFIT SHARING EXPENSE		15,662.94	0.19
RENT		137,400.00	1.71
REPAIRS & MAINTENANCE		36,390.33	0.45
SALES PROM. TRAVEL		12,921.69	0.16
BUSINESS PROMOTION		27,837.23	0.35
TANK TESTING EXPENSE		14,400.00	0.18
TAXES & LICENSES		33,031.36	0.41
TELEPHONE		27,104.87	0.34
TRUCK EXPENSE		145,600.53	1.81
UTILITIES		18,207.91	0.23
COMMISSIONS -BORTZ		102,847.22	1.28
DEPRECIATION		73,730.56	0.92
TOTAL OPERATING EXPENSES		$ 2,107,536.25	26.18

SEE ACCOUNTANTS' COMPILATION REPORT

ANGELES CHEMICAL COMPANY, INCORPORATED
STATEMENT OF INCOME
UNAUDITED
FOR THE TWELVE MONTHS ENDED APRIL 30, 1992

	YEAR TO DATE	%
OPERATING LOSS	$ (161,540.83)	(2.01)
OTHER INCOME OR (EXPENSE)		
DISCOUNTS EARNED	1,132.49	0.01
DEMURRAGE	50.00	0.00
INTEREST INCOME	12,836.46	0.16
INCOME SPLIT-SAMSON	128,333.82	1.59
SALARY REIMBURSEMENT	1,044.45	0.01
MISCELLANEOUS INCOME	1,508.87	0.02
PAILS	742.14	0.01
TERMINALING CHARGES	31,535.29	0.39
INTEREST EXPENSE	(8,041.58)	(0.10)
TOTAL OTHER INCOME (EXPENSE)	169,141.94	2.10
INCOME BEFORE INCOME TAXES	7,601.11	0.09
PROVISION FOR INCOME TAXES	(2,328.00)	(0.03)
NET INCOME	$ 5,273.11	0.07

SEE ACCOUNTANTS' COMPILATION REPORT

ANGELES CHEMICAL COMPANY, INCORPORATED
STATEMENT OF INCOME DETAIL
UNAUDITED
FOR THE TWELVE MONTHS ENDED APRIL 30, 1992

	YEAR TO DATE	%
SOLVENTS -SALES	$ 3,992,473.54	100.01
RETURNS & ALLOWANCES	(334.02)	(0.01)
TOTAL SALES	3,992,139.52	100.00
COST OF SALES	3,321,252.79	83.19
GROSS PROFIT	670,886.73	16.81
PACKAGING -SALES	1,115,989.95	100.67
RETURNS & ALLOWANCES	(7,393.65)	(0.67)
TOTAL SALES	1,108,596.30	100.00
COST OF SALES	855,830.89	77.20
GROSS PROFIT	252,765.41	22.80
BORTZ -SALES	2,964,831.64	100.50
RETURNS & ALLOWANCES	(12,858.68)	(0.44)
SALES DISCOUNTS	(1,827.49)	(0.06)
TOTAL SALES	2,950,145.47	100.00
COST OF SALES	1,890,342.32	64.08
GROSS PROFIT	1,059,803.15	35.92
TOTAL GROSS PROFIT	$ 1,945,995.42	24.17

SEE ACCOUNTANTS' COMPILATION REPORT

ANGELES CHEMICAL COMPANY, INCORPORATED
STATEMENT OF CASH FLOWS
UNAUDITED
FOR THE TWELVE MONTHS ENDED APRIL 30, 1992

CASH FLOWS FROM OPERATING ACTIVITIES:		
NET INCOME		$ 5,273.11
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:		
DEPRECIATION	$ 73,730.56	
EQUITY IN INCOME OF AFFILIATE	(128,333.82)	
CHANGE IN ASSETS AND LIABILITIES		
INCREASE IN ACCOUNTS RECEIVABLE	(444,656.70)	
INCREASE IN INVENTORY	(136,397.99)	
INCREASE IN PREPAID EXPENSES	(9,448.81)	
INCREASE IN DRUMS INVENTORY	(31,892.56)	
INCREASE IN ACCOUNTS PAYABLE	471,003.18	
DECREASE IN ACCRUED EXPENSES	(8,110.07)	
INCREASE IN CUSTOMER DEPOSITS	3,793.86	
INCREASE IN INCOME TAXES PAYABLE	1,528.00	
TOTAL ADJUSTMENTS		(208,784.35)
NET CASH USED BY OPERATING ACTIVITIES		(203,511.24)
CASH FLOWS FROM INVESTING ACTIVITIES:		
LOANS ADVANCED	(158,034.42)	
COLLECTION OF LOAN ADVANCES	131,912.00	
CAPITAL EXPENDITURES	(47,325.25)	
DISTRIBUTIONS FROM AFFILIATE	107,715.09	
NET CASH PROVIDED BY INVESTING ACTIVITIES		34,267.42
CASH FLOWS FROM FINANCING ACTIVITIES:		
PRINCIPAL PAYMENTS ON LOANS	(12,873.22)	
NET CASH USED BY FINANCING ACTIVITIES		(12,873.22)
NET DECREASE IN CASH		(182,117.04)
CASH AT BEGINNING OF PERIOD		474,695.16
CASH AT END OF PERIOD		$ 292,578.12

SEE ACCOUNTANTS' COMPILATION REPORT

B R A M S T E D T

and Associates Incorporated

Financial Consulting

Business Valuations

Financial Analysis

EVALUATION
of the
COMMON STOCK
of

ANGELES CHEMICAL CO.

as of
April 30, 1992

Prepared by:
Bramstedt & Associates, Inc.
December 1992

2402 Vista Del Mar Lane Tiburon, CA 94920-1208 Tel 415-435-9438 Fax 415-435-9438

114 Sansome St., Suite 808 San Francisco, CA 94104-3818 Tel 415-362-9900 Fax 415-362-6492

B R A M S T E D T

and Associates Incorporated

Financial Consulting

Business Valuations

Financial Analysis

December 31, 1992

CONFIDENTIAL

Employee Stock Ownership Plan
Administrative Committee
Angeles Chemical Co.
P.O. Box 2163
Santa Fe Springs, California 90670

Attn: Mr. John Locke

Gentlemen:

You have requested we establish the fair market value of the common stock of Angeles Chemical Co. for Employee Stock Ownership Trust (ESOT) purposes as of April 30, 1992.

Our evaluation places a fair market value of $1,621,000 on the common stock of Angeles Chemical Co. as of April 30, 1992. Based on 54,065 A and B common shares outstanding, the value per share is $30.00. This evaluation is derived from modified adjusted book value and is discounted for restricted marketability. The valuation conclusion was transmitted to John Locke on December 22, 1992.

The valuation report was prepared by Bramstedt & Associates, Inc. as a subcontractor to Sansome Street Appraisers, Inc.

Earnings prospects can change, as can the general economic climate. Federal regulations require that the Company's common stock be reevaluated at least annually for ESOT purposes.

Very truly yours,

BRAMSTEDT & ASSOCIATES, INC.

Eric M. Bramstedt

Eric M. Bramstedt, CFA
President

EMB:ew
enclosure

2402 Vista Del Mar Lane Tiburon, CA 94920-1208 Tel 415-435-9458 Fax 415-435-9458

114 Sansome St., Suite 808 San Francisco, CA 94104-3818 Tel 415-362-9900 Fax 415-362-6492

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I. INTRODUCTION

Angeles Chemical Co. ("Anchem" or the "Company") has requested Bramstedt & Associates, Inc. render its opinion as to the fair market value of the Company's common stock in connection with transactions involving the Company's Employee Stock Ownership Trust (ESOT). This valuation is based on financial data provided us for the five fiscal years ended April 30, 1992 and is derived from a modified adjusted book value methodology.

In that regard, Bramstedt & Associates places a fair market value of $1,621,000 or $30.00 per share on the common stock of Anchem as of April 30, 1992 based on 54,065 A and B shares outstanding.

Anchem is a closely held corporation with no present market for its common stock. It is a regional Southern California liquid chemical distributor whose products are used in industrial, commercial and retail/consumer coating applications. Sales in fiscal years 1990-1992 have stabilized at $8 million after falling over 50% from a peak of $16.8 million ten years earlier. The Company broke even in fiscal 1992 after recording comparatively small losses in fiscal years 1991-1989, the first deficits in its 19-year history. A joint venture agreement with Samson Chemical Co. has contributed to this business stabilization. Soil and underground water contamination problems at Anchem's plant continue to be monitored and tested, but so far have not required significant remedial and other costs. Anchem has a reasonably liquid, debt-free balance sheet.

Like all chemical processors, however, Anchem and its customers are facing significant environmental regulations in the Los Angeles Basin. These have seriously affected Anchem's business base and combined with the depressed Southern California economy cloud the Company's intermediate-term prospects.

Scope of the Valuation Study

The purpose of this valuation study is to determine the fair market value of a minority interest in the common stock of Anchem as of April 30, 1992 for transactions involving the Company's Employee Stock Ownership Trust.

In performing this valuation study, a variety of data and assumptions was used. The financial information on past performance was gathered from the financial statements of Anchem as prepared by its accounting firm for the past five fiscal years. We have included in Appendix I a copy of Anchem's most recent financial statement, for the fiscal year ended April 30, 1992.

Projections of expected future financial performance through fiscal 1993 were provided by management. The appraiser has visited the Company's facilities in Santa Fe Springs, California. Interviews were held with members of management and with certain outside sources with regard to the chemical distribution industry generally and specifically about several important environmental/regulatory issues facing the Company.

In ascertaining the value of the Company, published data on publicly traded companies were utilized in an effort to find comparable companies. There were no companies which were found to be directly comparable.

Prior ESOP Valuations and Reports

Anchem's ESOP was established during fiscal year 1984 as a conversion from a profit sharing plan. ESOP valuations for Anchem since fiscal 1987 have been prepared by Menke & Associates, Inc. and Bramstedt & Associates, Inc. Bramstedt & Associates' update valuation report for April 30, 1991 is dated November 1991. All these reports are herein incorporated by reference and contain a description of the chemical distribution industry; Anchem's history, operating description and management; and the valuation methodologies employed.

The table below illustrates the aggregate ESOP (minority interest) values relative to certain financial criteria for fiscal years 1988-92:

ESOP Valuation Summary
F1988-1992

Date	Aggregate ESOP Value	Per Share	Percent of Sales	Percent of Assets	Percent of Equity	Times Gross Profit	Times Working Capital
4/30/92	$1,621,000	$30.00	20.1%	51.3%	92%	0.83X	1.10X
4/30/91	1,653,300	30.60	20.8	61.2	94	0.83	1.10
4/30/90	1,527,885	28.25	18.8	54.7	85	0.79	1.14
4/30/89	1,635,995	30.25	18.2	53.9	81	0.79	1.08
4/30/88	1,730,000	32.00	18.3	56.5	81	0.72	1.15

Limitations of this Valuation

In preparing the valuation, Bramstedt & Associates relied upon and assumed the accuracy and completeness of all financial, statistical and other information provided by Anchem. Bramstedt & Associates also considered information based upon other publicly available sources which it believes to be reliable, however Bramstedt & Associates and the appraiser do not guarantee the accuracy and completeness of such information and did not independently verify the financial statements and other information. The appraiser is not aware of material omissions or understatements which would affect values contained in this report. The fair market value arrived at herein represents the appraiser's considered opinion based upon the facts and information presented to him. No legal opinion is expressed by this report and its accompanying documents.

This valuation report does not address matters requiring special expertise or knowledge not generally held by business appraisers.

As such, this report does not specifically address such issues as toxic contamination, hazardous waste, engineering and structural soundness, litigation and legal concerns, etc. (See "Company" section.)

This appraisal is intended for the purpose(s) stated herein. Any other application by the Company, its shareholders and others may not be appropriate.

Neither the appraiser nor Bramstedt & Associates, Inc. has any present financial interest in Anchem, and the fee for this valuation is not contingent upon the value(s) determined. The qualifications of Bramstedt & Associates to undertake this valuation are summarized in Appendix II.

II. VALUATION PROCESS

The stock in this valuation has been evaluated based upon: (1) the pertinent principles, regulations and guidelines of the Internal Revenue Service and the Department of Labor; (2) analysis of the Company's financial statements; (3) thorough discussions with management; and (4) analysis of relevant industry conditions and other factors.

Definitions

The following terms will recur throughout the valuation and should be understood by the following definitions, except as otherwise noted:

Fair Market Value -- The Internal Revenue Service has defined "fair market value" in Revenue Ruling 59-60, issued in March 1959, as:

> "...the price at which the property would change hands between a willing buyer and a willing seller when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, both parties having reasonable knowledge of relevant facts. Court decisions frequently state, in addition, that the hypothetical buyer and seller are assumed to be able, as well as willing, to trade and be well informed about the property and concerning the market for such property."

This definition is widely accepted and used in courts of law and in tax literature and is the most widely used approach in valuing closely held securities. It is the basic definition upon which we have relied in determining the fair market value of the Company's stock. Revenue Ruling 59-60 was issued for estate valuation purposes, but is not limited to that use. It serves as a guide in virtually all valuation situations requiring the determination of fair market value.

Pretax and Pre-Contribution Earnings -- Pretax earnings refer to earnings or income before federal, state and local income taxes. Pre-contribution earnings refer to pretax earnings before discretionary employee benefit plan contributions.

ESOP -- Employee Stock Ownership Plan and ESOT -- Employee Stock Ownership Trust refer essentially to the same entity and for purposes of this valuation can be considered interchangeable.

IRS & DOL Guidelines

In general, a company whose securities are traded in volume by informed persons in a free and active market has its fair market value determined continuously. The prices at which the securities of such a company trade are a reflection of the collective opinion of the investing public as to what the future prospects of the company are at that point of time. However, when a stock is traded infrequently, or is traded in an erratic market, or is closely held, such as in the case of Anchem, some other measure of value must be found.

The Internal Revenue Code of 1954, Section 2031(b), specifies that the value of stocks and securities of corporations not listed on an exchange or freely traded "...shall be determined by taking into consideration, in addition to all other factors, the value of stock or securities of corporations engaged in the same or a similar line of business which are listed on an exchange."

Revenue Ruling 59-60, issued in March 1959 for estate valuation purposes and extended to include the determination of fair market value of closely held businesses for income and other tax purposes by Revenue Ruling 65-193, further develops a set of eight criteria which, while not all-inclusive, are fundamental to the appraisal of the fair market value of closely held companies.

The Department of Labor has issued proposed regulations on "Adequate Consideration" which address valuation issues affecting Employee Stock Ownership Plans. These proposed regulations endorse Revenue Ruling 59-60 and set forth other factors to be considered in valuing securities for ESOT purposes.

Consequently, this report has considered the following factors:

-- History of the Company and Nature of Its Business

-- Economic Outlook in General and Condition and Outlook of the Industry in Particular

-- Book Value of the Stock and Financial Condition of the Business

-- Earnings Capacity of the Company

-- Dividend Paying Capacity

-- Whether or Not the Enterprise Has Goodwill or Other Intangible Assets

-- Sales of Stock and Size of the Block of Stock to be Valued

-- The Market Price of Stocks of Corporations Engaged in the Same or a Similar Line of Business Having Their Stocks Actively Traded in a Free and Open Market or Over the Counter

The Effect of ESOP Contributions on Fair Market Value

Anchem's ESOP was established in fiscal 1984. The Company made cash contributions of $15,663 in fiscal 1992 and $15,248 in fiscal 1991. The ESOP owns 26% of the Company's equity.

The implementation of an Employee Stock Ownership Plan may have a material effect on the profitability and cash flows of a business enterprise. The effect on profitability and cash flows can, as a consequence, directly impact the fair market value of the business enterprise. The degree of effect depends on how the ESOP is funding the annual contribution itself (cash or stock).

An additional consideration in determining fair market value for an ESOP company is how the Company is providing for the emerging liability created when vested terminated plan participants tender Company stock for redemption.

For detailed discussions of the effect of cash and/or stock contributions on earnings, cash flows and book values and of the impact of emerging liability treatment on ESOP stock marketability, see Section II of the November 1987 valuation study prepared by Menke & Associates.

Comparability in Accounting Methods

The accounting profession allows a number of alternative accounting treatments in areas such as inventory and depreciation accounting. Depending upon the particular accounting method utilized, reported earnings may differ materially within a given year. These accounting treatments, which are permitted under Generally Accepted Accounting Principles (GAAP), are usually one-time decisions. Once a company has opted for a particular accounting treatment it cannot change between various accounting alternatives year after year without good cause. Because of these rules, accounting statements for a particular company are generally comparable from year to year. This comparability, however, may not exist from company to company even if they are in the same industry. This is especially true if one is comparing a "public" company with a "closely held" company.

A further discussion of the differences and economic ramifications of public and private Company accounting procedures is also found in Section II of the November 1987 valuation study.

Discounts to Fair Market Value

The marketability of the company's stock, the control position of majority shareholders, and the relationship of these factors to the block of stock being valued can also affect the concluded value.

Closely held stock, which lacks marketability, is far less attractive than a similar stock with ready access to the public marketplace. In valuing a block of stock, Revenue Rulings and

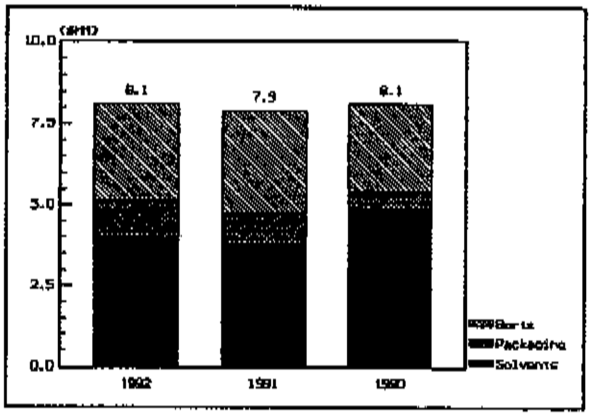
court decisions provide a basis for concluding that a discount is valid for an absence of marketability if the value base does not already reflect the lack of marketability.

Further, a minority stock interest in a closed corporation is usually worth much less than a proportionate share of the entity value of all the corporate stock. Discounts can range from 10% to 30% or more. When minority interest and lack of marketability discounts are both applied, they are sequential.

III. COMPANY

Angeles Chemical is a resale/distributor primarily of liquid industrial chemicals used principally in the coating process. In fiscal 1992, sales of solvents were $4.0 million (vs. $3.9 million in fiscal 1991); packaging--$1.1 million ($892,000); and Bortz--$2.96 million ($3.2 million).

Anchem
Sales Profile
F1992-1990



As illustrated in the above graph, there has been a relative and absolute decline in lower gross margin commercial solvent sales since fiscal 1990, which has contributed to a fiscal 1992-91 improvement in gross margins from fiscal 1989-90 to 24-25% from 23-24% respectively. Anchem now has a 50-50 consumer/industrial sales break-out from 60-40 in several earlier years. Bortz is a packager of paint thinners and finishes for the consumer/retail market which Anchem acquired in fiscal 1986.

Since the peak in 1982 at $16.8 million, Company dollar sales have dropped over 50% to the $8 million level for the past three fiscal years. Physical volume has declined even more because of periodic price increases. Prices were increased temporarily to pass along higher raw material cost increases during the early phase of the fall 1990 Gulf crisis.

The decade-long sales drop reflected the loss of major accounts as several customers moved out of Southern California or changed their supplier source away from Southern California. The ever-increasing environmental regulations in Greater Los Angeles have created an increasingly expensive and difficult operating circumstance for chemical processors and distributors and their customers. The current recession in the region may not have seriously impacted sales through 1992. Management continues to emphasize less environmentally sensitive consumer products.

In 1992, Anchem had about 179 active industrial customers and 400 in the packaging division, both down about 10% from a year

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earlier. All are located in Southern California. Ellis Paint Company, owned by Robert Berg, an Anchem founder and shareholder, is an important customer.

Anchem's basic raw materials are these organic chemicals--propylene, glycol, toluene, ethylene glycol, acetone, mineral spirits, 1-1-1 trichloroethane, and alcohols. These are forms of petroleum distillates which are purchased from Shell, Union Carbide, Exxon, Celanese and Vulkan Materials. The Company has on-site 32 underground storage tanks of 5,000 to 20,000 gallons capacity each and four above-ground tanks (old railroad tank cars): one of 10,000 gallons capacity and three of 6,000 gallons each.

Anchem operates out of administrative offices and packaging and storage facilities on a 1.8 acre site in Santa Fe Springs, California. The structures and improvements are Company-owned, while the underlying real estate is owned by a partnership comprised of the three founding stockholders--John Locke, Robert Berg and Arnold Rosenthal. Mr. Rosenthal is no longer active in the Company. The sale of the underlying real estate to the Company by the partnership continues in limbo because of possible contamination and other issues. Anchem rents downtown Los Angeles warehouse space from Robert Berg.

As of the summer of 1992, Anchem had 26 full-time employees versus 28 a year earlier. The Company has substantially increased temporary or part-time help, reflecting the higher packaging sales.

Samson Chemical Co. Joint Venture

On March 31, 1991, Anchem entered into a five and a half year agreement with Saramco, Inc., dba Samson Chemical Co., to operate on a joint venture basis for five years beginning October 1, 1991 following an interim six month trial period which ended on September 30, 1991. If the joint venture is still effective on September 30, 1996, Samson will cease operations and transfer to Anchem its distributor relationships and its business and customer accounts. In the interim, both companies maintain separate operations (at Santa Fe Springs) and customers.

Samson was a Torrance, California-based industrial chemical distributor operating unprofitably on annual sales of $3.5 million or about 45% of Anchem's size. Through this affiliation, Anchem was able to broaden its product line to include epoxy products. On a combined basis, Anchem/Samson sales in fiscal 1992 were $12.06 million, indicating Samson's sales are now running about $4 million annually.

Samson's income (as defined by the agreement) is shared equally by the partners. In fiscal 1992, Anchem's income share was booked at $128,000 versus $12,000 for the one month of fiscal 1991.

For further details on this joint venture, see the November 1991 valuation report.

Samson was Anchem's second business combination in five years, and management is exploring a joint venture with a Northern California chemical distributor to further broaden its customer, business and geographic base and augment sales.

Management and Ownership

The Company senior management as of summer 1992 consisted of:

Officer	Title	Joined Co.	Age
John Locke	President, CEO	1971	65
Robert Berg	Secretary/Treasurer	1971	60
Robert Custer	President - Samson Chemical	1990	59
James Locke	Operations Manager	1985	28
Tim Mahoney	Controller	1990	35

Robert Custer is a chemical engineer and MBA with experience in chemical distribution and as such provides important management and sales support for John Locke. Mr. Custer is concentrating on the industrial market and Mr. Locke on retail and proprietary products.

The Board of Directors consists of John Locke, Robert Berg, and Arnold Rosenthal, all founders. Mr. Berg's primary employment is President of Ellis Paint Co.

As of April 30, 1992 there were 40,000 Class A and 14,065 Class B common shares outstanding (excluding treasury stock) as follows:

Holder	Number of Shares	
John Locke	20,000 A shares	37%
Robert Berg	20,000 A shares	37
ESOP	14,065 B shares	26
Total	54,065 A&B shares	100%

Class A common stock is voting and Class B is nonvoting. Otherwise, the two classes are equal. A valuation discount for the nonvoting Class B stock has not been taken by the prior appraisers nor by Bramstedt & Associates since the stock is in an ESOP where voting rights are not passed through in any event except for major corporate issues.

Environmental Issues Update

The three previous valuation studies for the fiscal years ended September 1989, 1990 and 1991 discuss in detail the regional agencies which regulate Anchem's operating activities. According to management and SCS Engineers, its environmental consultant, as of April 30, 1992 the Company had no environmental agency actions, violations or citations.

These prior reports also discuss testing and related work for soil and groundwater contamination undertaken by the Company and SCS since 1989 which so far has not uncovered any major problems. As it has since 1989, Anchem will continue to incur legal, testing, remedial and consultant costs above those experienced during the 1980s. (In fact, SCS and counsel are working with Anchem to try and recover some of these costs from a contractor who may have improperly installed a drain pipe.) The appraiser does not believe the Company has been able to pass these costs, which have not been material in any one year, through to its customers, thereby impacting profit margins.

Ongoing environmental incumbrances on Anchem's business and operations have been reflected in the valuation conclusion, in varying degrees, since fiscal 1989.

California Economy

As of the summer of 1992, the California economy, particularly Southern California, was showing no signs of recovering from what is described as the worst recession since World War II. (The U.S. economy was beginning to pick up, however.)

Heavy job losses from cutbacks in defense and aerospace and manufacturing firms relocating from California resulted in a statewide unemployment rate of 9-10%, or well above the national average with even higher rates in some Southern California counties. Consequently, retail sales, per capita income, residential and commercial construction and manufacturing activity are all depressed. Experts were not expecting any real improvement until 1993 or 1994.

On the surface, Anchem's business and sales do not appear to have been seriously affected by this circumstance. Management, however, did not provide the appraiser with an analysis which could determine whether the economy or the environmental problems have impacted the Company more and whether Anchem may be holding or gaining market share.

Financial Analysis and Review

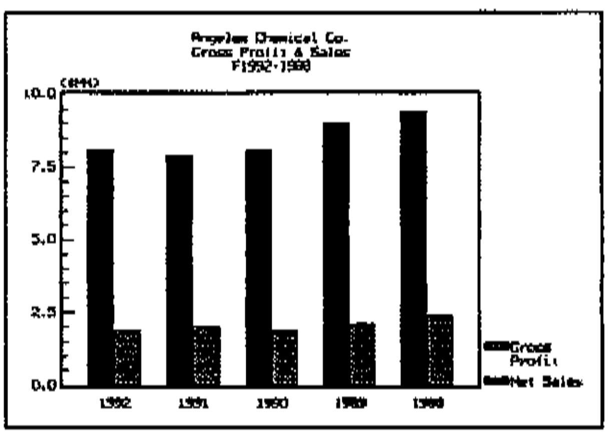
Anchem has provided Bramstedt & Associates with financial statements for the fiscal years 1988-1992. These financial statements have been thoroughly examined and discussed with management. A copy of the Company's financial statement for the fiscal year ended April 30, 1992, prepared as a compilation by Arthur Buhlman & Co., CPAs, is attached as Appendix I.

The results of our review and analysis of Anchem's financials are contained in the exhibits outlined below:

Exhibit A -- Comparative Income Statement, FY1988-1992
Exhibit B -- Comparative Balance Sheets, FY1988-1992
Exhibit C -- Selected Financial Ratios, FY1990-1992

These exhibits are presented at the end of this section of the report. The following comments and observations are based upon Bramstedt & Associates' review and analysis of the Company's financial statements. Saramco's operations are not consolidated but are incorporated in a one-line (miscellaneous) income entry, "income split - Samson."

Exhibit A contains Anchem's comparative operating statement in terms of dollars and dollars as a percent of sales for the period fiscal 1988-1992. Sales in fiscal 1992 of $8.05 million were essentially identical with the $7.9 million in fiscal 1991 and off just 1.3% from fiscal 1990. Cost of sales rose 2.4% to $6.1 million (75.8%) from $5.96 million (75.0%) in fiscal 1991. Accordingly, gross profit at $1.95 million was almost identical to fiscal 1991 but gross margins fell moderately to 24.2% in fiscal 1992 from 25.0% in fiscal 1991, where they are better than fiscal 1989 and fiscal 1990. This apparently reflects a more favorable consumer/retail sales mix in fiscal 1992-1991. Anchem's prices or raw material costs have not changed materially since the Persian Gulf crisis.



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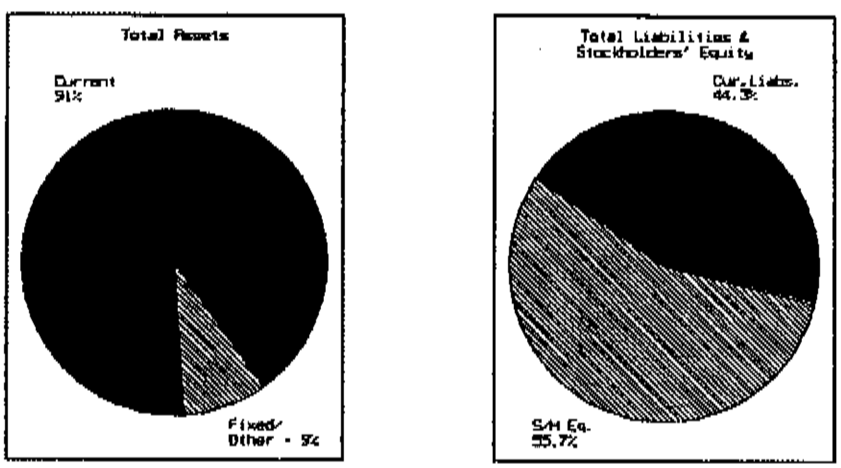
Operating expenses were nearly unchanged (up 0.6%) year to year at $2.1 million (26.2%). Administrative and office wages were up, apparently reflecting a full year of Samson employees. Direct wages dropped by nearly 40% to $166,000 in fiscal 1992 and outside labor more than doubled to $219,000 as the Company used more temporary workers and leased truck drivers. Workers comp insurance was up 64% to $68,300. Tank testing expenses dropped by 37% to $14,400 in fiscal 1992 as did professional services (presumably environmental related) by 13% to $59,100. Depreciation fell by half to $74,000 as certain Bortz assets became fully depreciated.

The slightly lower gross profit and slightly higher operating expenses resulted in a moderate rise in the operating loss to $161,000 in fiscal 1992 from a loss of $112,000 in fiscal 1991. (Anchem has reported small operating losses since fiscal 1988.) Other income jumped 81% to $177,000 in fiscal 1992 on the Samson income split of $128,000. Interest expense continued a multi-year decline to $8,000.

As a result, Anchem broke even in fiscal 1992 after taxes versus a $36,000 loss in fiscal 1991 and its first non-loss year since fiscal 1988, when sales were $1.4 million higher. For fiscal 1993 management is forecasting that Anchem's sales ex-Saramco may be equal to fiscal 1992's $8 million and that the Company might again record a slight profit.

Exhibit B contains Anchem's comparative balance sheet in terms of dollars and dollars as a percent of assets for the period fiscal 1988-1992. Fiscal 1992 reflects the first full year of the Samson joint venture.

<u>Angeles Chemical Co.</u>
<u>Balance Sheet Profile</u>
<u>April 30, 1992</u>



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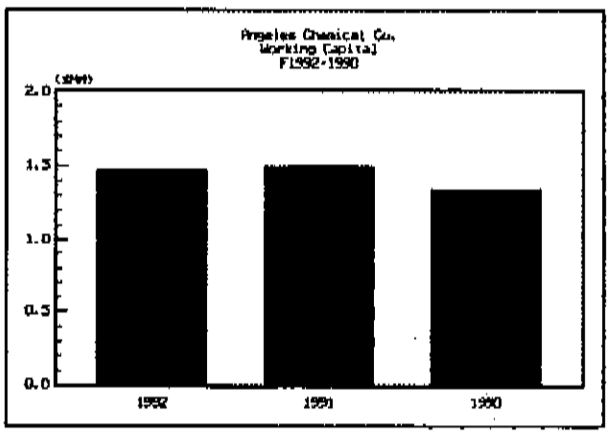
At April 30, 1992, total assets invested jumped 17% to $3.16 million, all of which occurred in current assets which were up 17.8% to $2.87 million (90.9%). Cash and liquid investments dropped to $292,000 (9.2%) from $475,000 (17.6%) a year earlier. Accounts receivable gained 44.3% to $1.5 million (48.5%) from $1.06 million (39.4%) at April 30, 1991 while inventories gained 18.6% to $875,000 (27.7%) at April 30, 1992.

Both inventories and receivables were the highest in at least six years (on lower sales). However, about 60% of the $471,000 receivables increase represents the increment of carrying Samson's receivables and most of the inventory gain may also be Samson-related.

Accordingly, current liabilities rose nearly 50% to $1.4 million at April 30, 1992 where they comprised 44.3% of liabilities and equity as compared to around 35% and lower in prior fiscal years. This gain occurred entirely at accounts payable, which jumped 63% to $1.22 million (38.6%).

Anchem has no long-term debt. Shareholders' equity at $1.76 million (55.7%) at April 30, 1992 was virtually unchanged from the prior two fiscal years.

Exhibit C presents selected financial and operating ratios for the fiscal years 1990 through 1992. It shows that Anchem's previously solid and liquid balance sheet qualitatively weakened somewhat during fiscal 1992. Specifically, the current and quick ratios fell to 2.1 and 1.3 times respectively at April 30, 1992 from 2.6 and 2.4 times respectively a year earlier.



Working capital, which is composed primarily of accounts receivable and cash and equivalents, fell slightly to $1.47 million. The sales to working capital ratio rose to 5.5 times from 5.3 times at April 30, 1991. If combined Samson/Anchem sales of $12.1 million are used, the fiscal 1992 sales/working capital ratio is 8.2X, significantly higher than any recent year.

Much of this liquidity is excess to the Company's ongoing operating business requirements and will not apparently be needed for possible substantial environmental remedial costs. Consequently, the internal funds are available conceptually to purchase stock from existing shareholders or the ESOT. The purchase of the underlying Santa Fe Springs real property from the shareholder partnership has been deferred and there are no significant capital expenditures. Inventory turns dropped to 7.0 times during fiscal 1992 from 8.1 times in fiscal 1991 because of the higher inventory on the static sales and this ratio is also reflective of Samson's inventory.

Because of the operating circumstances and a sound balance sheet profile, once again Anchem's source of value for equity ownership is found in the balance sheet.

Appendix I contains a statement of cash flows for fiscal 1992 which is summarized and compared to fiscal 1991 as follows:

	F1991	F1992
	(000)	
Net cash from (used):		
Operating activities	$140	$(203)
Investing activities	3	34
Financing activities	(9)	(13)
Net change in cash	$134	$(182)

Overall, there was a $182,000 decrease in cash during fiscal 1992. This cash plus the higher and presumably Samson-related payables were used to carry the (greater) Samson receivables and inventory. Included in the Statement in operating activities is a deduction of $128,300 of income - equity in affiliate, which is nearly offset by $107,700 affiliate distributions (under investing activities).

ANGELES CHEMICAL CO.

Exhibit A

Comparative Income Statement, F1988-1992
($000)

FYE 4/30:	1992		1991		1990		1989		1988	
Net Sales	$8051	100.0%	$7944	100.0%	$8139	100.0%	$9003	100.0%	$9442	100.0%
Cost of Sales	6105	75.8	5960	75.0	6199	76.2	6945	77.1	7040	74.6
Gross Profit	1946	24.2	1983	25.0	1939	23.8	2057	22.9	2402	25.4
Operating Expenses	2107	26.2	2095	26.4	2187	26.9	2203	24.5	2497	26.4
Operating Income (Loss)	(161)	(2.0)	(112)	(1.4)	(248)	(3.0)	(145)	(1.6)	(95)	(1.0)
Other Income	177	2.2	98	1.2	56	.7	105	1.2	189	2.0
Other Expense (Interest)	(8)	(.1)	(22)	(.3)	(47)	(.6)	(112)	(1.2)	(123)	(1.3)
Pretax Income (Loss)	8	.1	(35)	(.5)	(239)	(2.9)	(152)	(1.7)	(29)	(.3)
Provision for Taxes	(3)	--	(1)	--	--		42	.5	43	.5
Net Income (Loss)	$ 5	--	$ (36)	(.5)	$(239)	(2.9)	$(110)	(1.2)	$ 14	.1

SOURCE: Company financial statements (unaudited).

BR000246

ANGELES CHEMICAL CO.

Exhibit 8

Comparative Balance Sheet
1988-92
(000)

As of 4/30:	1992		1991		1990		1989		1988	
Current Assets:										
Cash and liquid invstmnts.	$ 292	9.2%	$ 475	17.6%	$ 341	12.2%	$ 371	12.2%	$ 243	7.9%
Accounts receivable	1534	48.5	1063	39.4	1221	43.7	1139	37.5	1222	39.9
Inventories	875	27.7	738	27.3	618	22.1	719	23.7	773	25.3
Prepaid expenses/other	174	5.5	164	6.1	147	5.3	257	8.5	184	6.0
Total	2875	90.9	2440	90.4	2327	83.3	2486	81.8	2421	79.1
Fixed Assets at Cost	1747		1668		1831		1844		1724	
Accumulated Depreciation	(1493)		(1419)		(1366)		(1292)		(1101)	
Net Fixed Assets	254	8.0	249	9.2	465	16.6	552	18.2	623	20.4
Other Assets	32	1.0	12	.4	--		--		17	.5
Total Assets	$3161	100.0	$2701	100.0	$2792	100.0	$3038	100.0	$3061	100.0
Current Liabilities:										
Accounts payable	$1220	38.6	$ 749	27.7	$ 773	27.7%	$ 705	23.2%	$ 570	18.6%
Deposits	60	1.9	56	2.1	80	2.9	119	3.9	142	4.6
Note payable	70	2.2	87	3.2	83	3.0	103	3.4	83	2.7
Accrued expenses	51	1.6	44	1.6	47	1.7	47	1.5	116	3.8
Total	1401	44.3	937	34.7	983	35.2	975	32.1	912	29.8
Long-Term Liabilities	--		9	.3	22	.8	37	1.2	13	.4
Shareholder Equity	1760	55.7	1755	65.0	1787	64.0	2026	66.7	2136	69.9
Total Liabilities & Equity	$3161	100.0	$2701	100.0	$2792	100.0	$3038	100.0	$3061	100.0

SOURCE: Company financial statements (unaudited).

BR000247

ANGELES CHEMICAL CO.

Exhibit C

Selected Ratio Analysis
FY1990-92

FY 4/30:	1992	1991	1990
Liquidity Ratios			
Current (Current Assets divided by Current Liabilities)	2.05	2.60	2.37
Quick (Cash & Accounts Receivable divided by Current Liabilities)	1.30	1.64	1.59
Working Capital ($000)	1474	1503	1344
Sales/Receivables (Sales divided by Accounts Receivable)	5.25	7.47	6.66
Sales/Working Capital (Sales divided by Working Capital)	5.5	5.3	6.0
Cost of Goods Sold/Inventories (Cost of Goods Sold divided by Inventories)	7.0	8.1	10.0
Coverage Ratios			
EBIT/Interest (Earnings before Interest & Tax divided by Interest Expense)	Nom.	Neg.	Neg.
Cash Flow/Maturity LTD (Net Income + Depreciation Expenses divided by Current Portion of Long-Term Debt)	1.13	1.32	Neg.
Leverage Ratios			
Debt/Worth (Total Liabilities divided by Net Worth)	0.80	0.54	0.56
Long-Term Liabilities/Worth (Liabilities over one year divided by Net Worth)	N.A.	Nom.	Nom.
Operating Ratios			
Total Asset Turnover (Sales divided by Average Total Assets)	2.75	2.89	2.79
Return on Equity (Net Income divided by Average Stockholders' Equity)	Nom.	(2.0%)	(12.5%)
Return on Assets (Net Income divided by Average Assets)	Nom.	(1.3%)	(8.2%)

N.A. = Not applicable
Neg. = Negative calculation
Nom. = Nominal

SOURCE: Company statements and Bramstedt & Associates.

IV. VALUATION

In arriving at a minority interest fair market value determination for Anchem, Bramstedt & Associates has considered the relevant factors set forth in Revenue Ruling 59-60 with regard to the valuation of closely held companies and in the Department of Labor's (DOL) proposed regulations on "Adequate Consideration" as they relate to the valuation of securities for Employee Stock Ownership Plan purposes. The following comments represent our findings with regard to those specific factors outlined in Revenue Ruling 59-60 and the DOL's proposed regulations on "Adequate Consideration" as they pertain to the valuation of Anchem. The following references to Revenue Ruling 59-60 implicitly include the DOL's proposed regulations.

Book Value

Revenue Ruling 59-60 states that the appraiser should consider book value when valuing a closely held company. Anchem's stated book value was $1,760,207 or $32.56 a share as of April 30, 1992.

Normally, book value or adjusted book value is not afforded much weight or consideration in the valuation of an operating company such as Anchem. Such type companies are normally valued on earnings and/or cash flow capacity. Because of depressed operating results, the appraiser chose to use book value as fair market value for ESOP purposes as of April 30, 1987 and has used it as a valuation reference since fiscal 1988.

Dividend History, Capacity and Probability

Revenue Ruling 59-60 suggests that the appraiser consider dividends and dividend paying capacity in valuing closely held securities.

The Company has not paid any dividends on its common stock and has no intention of changing this policy at this time. This policy is quite appropriate for a small, private company which is owned by shareholders who neither rely upon nor expect dividend income.

Normally, earnings reinvested in the growth of a company can be expected to earn at a greater return than dividend income invested in other investment opportunities with similar risks and prospects. Consequently, shareholders will ultimately benefit from the current policy to reinvest earnings in the Company's growth rather than to pay cash dividends.

The capacity to declare and pay cash dividends is a positive consideration. The decision not to pay dividends is not a negative consideration.

Comparable Companies--Publicly Traded

Revenue Ruling 59-60 suggests that the appraiser consider the market price of stocks of corporations engaged in the same or a similar line of business having their stock actively traded in a free and open market or over the counter. Bramstedt & Associates has made an exhaustive search for comparable public companies which can be deemed to be similar to Anchem. No single company proved to be a worthy publicly traded comparable. Public companies are generally much larger and more diverse both geographically and in business operations.

In previous valuation studies, the appraiser has broadly referenced the capitalization ratios of Univar (NYSE), the largest U.S. chemical distributor. Because of the continuing reliance on a modified book value/working capital methodology for Anchem, the appraiser now feels that this peripheral reference is no longer valid or useful.

Cash Flow and Earnings Capacity

Earlier ESOP valuations by Charles Stark, PC, appears to rely on conclusions derived from capitalizing five-year average of net income, aftertax cash flow and pretax available cash flow, among other methods. Aftertax cash flow is net income plus depreciation. Available cash flow before taxes is pretax income plus profit share/ESOP contribution plus depreciation. Depreciation in fiscal 1991 and 1992 was $151,000 and $74,000 respectively. Anchem's earnings and cash flow as just defined for fiscal 1992, 1991 and 1990 are shown below:

		Cash Flow	
Period	Net Income	Available	After Tax
F1992	$ 5,000	$ 98,000	$ 79,000
F1991	(36,000)	131,120	115,000
F1990	(239,000)	(31,000)	(45,000)

Note: Figures have been rounded.

Because of the erosion of the Company's earning and cash generating power, the application of the Stark methodology is not being used.

Valuation

Because of insufficient demonstrable earning power and thin cash flow prospects, Bramstedt & Associates and the appraiser once again must look to the balance sheet for valuation purposes as in fiscal 1991 when we employed an adjusted or modified book value approach.

Generally, capitalization of income and cash flow streams is the appropriate methodology for determining the equity fair market value of an operating company such as Anchem. The decision to utilize adjusted book value and working capital is based on the factors discussed and the appraiser's experience and knowledge in deriving equity values of closely held companies.

At April 30, 1992, Anchem's stated book value was $1,760,207 and working capital was $1,473,581. Since Anchem has no long-term debt, this working capital basically accrues to the equity holders. (Cash and cash equivalents and receivables alone total $1.83 million. Following the valuation methodology used in recent valuation studies and using a 7.5% asset liquidation discount and a 10% discount for restricted marketability produces an indicated fair market value of $1,465,372, or almost equal to working capital.

Adjusted Book Value Method
Angeles Chemical Co.
April 30, 1992

Stated Book Value	$1,760,207
Less Liquidation Discount (7.5%)	132,015
Subtotal	1,628,191
Less Marketability Discount (10%)	162,819
Indicated Fair Market Value	$1,465,372
Working Capital	$1,473,581

Since the product of the adjusted book value methodology effectively accords no value to the Company's fixed assets and to business goodwill as a going concern, the appraiser believes this methodology understates the fair market value of the equity ownership of Anchem.

In order to incorporate the economic worth of fixed assets and goodwill, Bramstedt & Associates has marked up the Company's working capital of $1,473,578 by 10% or $147,358 to produce an indicated fair market value (FMV) for ESOP purposes of the equity ownership of Anchem as of April 30, 1992 of $1,621,000 or $30.00 a share (rounded) on 54,065 shares outstanding. This working capital premium is consistent with that of the three prior years and the FMV is 92% of book value and 20% of sales (see page 2).

As of the ESOP plan year which began May 1, 1987, the ESOP Administration Committee changed its policy on paying terminating plan participants in a lump sum to paying participants terminated for reasons other than retirement at age 65 in five annual cash pay-outs commencing on the first anniversary of termination. Terminated plan participants sell 20% of their stock in each of five years at the fair market value applicable for each year. Accordingly, the above derived value reflects a discount of 10% or the same as applied at April 30, 1991. This marketability discount conceptually reflects the time value of money under the deferred pay-out program now in effect.

Recent Stock Sale and Valuation

Revenue Ruling 59-60 suggests that arm's-length sales to knowledgeable unrelated third parties in the recent past would be a basis for valuation.

There have been no such recent transactions.

V. <u>CONCLUSIONS</u>

Based on our experience and general knowledge in determining the value of closely held companies and upon the consideration of all factors previously discussed, Bramstedt & Associates is of the opinion that the fair market value of the outstanding common stock of Angeles Chemical Co. for ESOT purposes is $1,621,000 or $30.00 per share as of April 30, 1992 on 54,065 Class A and B shares outstanding. This valuation is based on an adjusted or modified book value approach.

Specific positive factors concerning Anchem were its still solid and long-term debt free balance sheet; continued sales, operational and environmental stabilization; a break-even year in fiscal 1992 after three loss years; and profit and other benefits from the Saramco affiliation.

Unfavorable factors were a 50% sales drop in a decade; no visibility for real earnings generation; negative or nominal returns on capital and equity; the hostile operating environment for small chemical processors in heavily populated urban areas such as Los Angeles; and the Southern California recession.

It is important to point out that this evaluation is specifically intended to establish a per-share fair market value for shares to be issued or sold to the ESOT. This report does not specifically address the evaluation of the Company as an entity. The value of the Company as a whole, with the attendant rights to control the direction and growth of the Company, to influence or control compensation and dividends, to change the management, to acquire other companies and/or business operations, to buy companies or new product lines, or to sell or merge the Company, may be greater than the total value implied by this evaluation.

On the other hand, the value of minority interest shares held outside of an ESOT would probably be less than the value determined in this report. An ESOT with a "put" option obligating the Trust to repurchase the shares held by participants provides a valid market for such stock. Minority interest shares held outside of the ESOT would by necessity be discounted by more than 10% taken here for their greater inherent lack of marketability.

This valuation is as of April 30, 1992; and, since it is based upon recent financial statements, it should be valid for the near future. However, it is imperative to recognize that the dynamics of the industries served and general economic conditions can change and invalidate this evaluation. Federal regulations require that the Company's common stock be reevaluated at least annually for ESOT purposes.

APPENDIX I

REPORT OF

ANGELES CHEMICAL COMPANY, INC.

APRIL 30, 1992

ARCHER, BULMAHN & CO.
626 SOUTH LAKE AVENUE
PASADENA, CALIFORNIA 91106

TO THE BOARD OF DIRECTORS
ANGELES CHEMICAL COMPANY, INCORPORATED

WE HAVE COMPILED THE ACCOMPANYING BALANCE SHEET OF ANGELES CHEMICAL COMPANY, INCORPORATED AS OF APRIL 30, 1992 AND THE RELATED STATEMENTS OF INCOME AND CASH FLOWS FOR THE YEAR THEN ENDED, IN ACCORDANCE WITH STANDARDS ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS.

A COMPILATION IS LIMITED TO PRESENTING IN THE FORM OF FINANCIAL STATEMENTS INFORMATION THAT IS THE REPRESENTATION OF MANAGEMENT. WE HAVE NOT AUDITED OR PERFORMED A REVIEW SERVICE ON THE ACCOMPANYING FINANCIAL STATEMENTS, AND ACCORDINGLY, DO NOT EXPRESS AN OPINION OR ANY OTHER FORM OF ASSURANCE ON THEM.

MANAGEMENT HAS ELECTED TO OMIT SUBSTANTIALLY ALL OF THE DISCLOSURES REQUIRED BY GENERALLY ACCEPTED ACCOUNTING PRINCIPLES. IF THE OMITTED DISCLOSURES WERE INCLUDED IN THE FINANCIAL STATEMENTS, THEY MIGHT INFLUENCE THE USER'S CONCLUSIONS ABOUT THE COMPANY'S FINANCIAL POSITION, RESULTS OF OPERATIONS, AND CASH FLOWS. ACCORDINGLY, THESE FINANCIAL STATEMENTS ARE NOT DESIGNED FOR THOSE WHO ARE NOT INFORMED ABOUT SUCH MATTERS.

Archer, Bulmahn & Co.

CERTIFIED PUBLIC ACCOUNTANTS

NOVEMBER 6, 1992

ANGELES CHEMICAL COMPANY, INCORPORATED
BALANCE SHEET
UNAUDITED
APRIL 30, 1992

A S S E T S

CURRENT ASSETS		
PETTY CASH		$ 5,254.02
CASH IN BANK		(173,966.13)
CASH IN BANK - PAYROLL		(8,373.22)
CASH IN BANK -BORTZ		458,206.13
CASH IN MONEY MARKET		11,457.32
ACCOUNTS RECEIVABLE	1,030,926.26	
ALLOW. FOR DOUBTFUL ACCTS.	(20,257.15)	
NET ACCOUNTS RECEIVABLE		1,010,669.11
ACCTS. REC. - STALLION		112,553.95
ACCTS. REC. - OTHER NON-OPERATING		46,829.88
ACCTS. REC. - SAMSON		364,003.57
EMPLOYEE ADVANCES		3,817.32
INVENTORY - CHEMICALS		527,492.67
INVENTORY -PACKAGING		67,523.54
INVENTORY -PKG.-BORTZ		276,338.73
INVENTORY -GASOLINE		3,343.39
PREPAID INTEREST		2,187.64
PREPAID PROPERTY TAX		1,557.37
PREPAID INSURANCE		140,996.25
PREPAID AUTO INSURANCE		475.00
PREPAID CONSULTANTS FEES		3,300.00
PREPAID OTHER		14,758.85
PREPAID EXCISE TAX -FUEL		6,220.00
TOTAL CURRENT ASSETS		2,874,645.39
FIXED ASSETS		
OFFICE TRAILER	99,567.42	
TRUCKS & AUTOS	219,335.36	
TANKS & PLANT EQUIPMENT	723,270.88	
FURNITURE & FIXTURES	214,708.06	
PLANT	354,662.97	
DRUMS	136,040.56	
TOTAL FIXED ASSETS	1,747,585.25	
LESS: ACCUMULATED DEPRECIATION	(1,493,260.48)	
NET FIXED ASSETS		254,324.77
OTHER ASSETS		
INVESTMENT IN SAMSON	32,303.53	
TOTAL OTHER ASSETS		32,303.53
TOTAL ASSETS		$ 3,161,273.69

SEE ACCOUNTANTS' COMPILATION REPORT

ANGELES CHEMICAL COMPANY, INCORPORATED
BALANCE SHEET
UNAUDITED
APRIL 30, 1992

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
NOTES PAYABLE	$ 69,856.16	
ACCOUNTS PAYABLE	1,220,178.86	
OTHER ACCRUED LIABILITIES	7,254.92	
ACCRUED TANK TESTING	12,016.08	
ACCRUED PAYROLL	18,055.22	
ACCRUED COMMISSIONS	5,604.51	
ACCRUED WORKMANS COMP.INS.	0.03	
SUI PAYABLE	2,422.18	
FUTA PAYABLE	910.42	
SALES TAX PAYABLE	3,240.55	
CALIF. FRANCHISE TAX PAYABLE	1,528.00	
DRUM DEPOSITS	60,000.00	
TOTAL CURRENT LIABILITIES		1,401,066.93
LONG-TERM LIABILITIES		
TOTAL LIABILITIES		1,401,066.93
STOCKHOLDERS' EQUITY		
COMMON STOCK - $.10 PAR VALUE, 1,000,000 SHS. AUTHORIZED, 54,065 SHS. ISSUED & OUTSTANDING		5,406.50
PAID IN CAPITAL		105,723.80
RETAINED EARNINGS - BEGINNING	$ 1,643,803.35	
NET INCOME OR (LOSS)	5,273.11	
RETAINED EARNINGS		1,649,076.46
TOTAL STOCKHOLDERS' EQUITY		1,760,206.76
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		$ 3,161,273.69

SEE ACCOUNTANTS' COMPILATION REPORT

ANGELES CHEMICAL COMPANY, INCORPORATED
STATEMENT OF INCOME
UNAUDITED
FOR THE TWELVE MONTHS ENDED APRIL 30, 1992

	YEAR TO DATE	%
SALES	$ 8,050,881.29	100.00
COST OF SALES	6,104,885.87	75.83
GROSS PROFIT	1,945,995.42	24.17
OPERATING EXPENSES		
ADMINISTRATIVE SALARIES	105,627.39	1.31
OFFICE WAGES	88,237.66	1.10
SALES WAGES	59,694.80	0.74
DIRECT WAGES	165,830.44	2.06
INDIRECT WAGES	32,129.24	0.40
PAYROLL TAXES	44,150.49	0.55
WORKMANS COMP. INSURANCE	68,296.75	0.85
GROUP INSURANCE	93,016.01	1.16
OUTSIDE LABOR	219,174.51	2.72
ADVERTISING	16,692.97	0.21
AUTO & TRAVEL	43,574.49	0.54
BAD DEBTS	12,000.00	0.15
COMPUTER EXPENSE	10,124.63	0.13
DONATIONS	250.00	0.00
DRUM MAINTENANCE	106,868.10	1.33
DUES & SUBSCRIPTIONS	11,041.71	0.14
SEMINARS AND MEETINGS	2,841.42	0.04
EMPLOYEE WELFARE	11,389.04	0.14
EQUIPMENT RENTAL	2,436.74	0.03
FREIGHT-IN	64,275.50	0.80
FREIGHT OUT	40,971.96	0.51
CASUALTY INSURANCE	79,981.93	0.99
LAB EXPENSE	854.32	0.01
OFFICE SUPPLIES	20,133.94	0.25
PRINTING PREP. EXPENSE	14,580.33	0.18
PLANT EXPENSE	82,463.07	1.02
POSTAGE	6,681.60	0.08
PROFESSIONAL SERVICES	59,082.57	0.73
PROFIT SHARING EXPENSE	15,662.94	0.19
RENT	137,400.00	1.71
REPAIRS & MAINTENANCE	36,390.33	0.45
SALES PROM. TRAVEL	12,921.69	0.16
BUSINESS PROMOTION	27,837.23	0.35
TANK TESTING EXPENSE	14,400.00	0.18
TAXES & LICENSES	33,031.36	0.41
TELEPHONE	27,104.87	0.34
TRUCK EXPENSE	145,600.53	1.81
UTILITIES	18,207.91	0.23
COMMISSIONS -BORTZ	102,847.22	1.28
DEPRECIATION	73,730.56	0.92
TOTAL OPERATING EXPENSES	$ 2,107,536.25	26.18

SEE ACCOUNTANTS' COMPILATION REPORT

ANGELES CHEMICAL COMPANY, INCORPORATED
STATEMENT OF INCOME
UNAUDITED
FOR THE TWELVE MONTHS ENDED APRIL 30, 1992

	YEAR TO DATE	%
OPERATING LOSS	$ (161,540.83)	(2.01)
OTHER INCOME OR (EXPENSE)		
DISCOUNTS EARNED	1,132.49	0.01
DEMURRAGE	50.00	0.00
INTEREST INCOME	12,836.46	0.16
INCOME SPLIT-SAMSON	128,333.82	1.59
SALARY REIMBURSEMENT	1,044.45	0.01
MISCELLANEOUS INCOME	1,508.87	0.02
PAILS	742.14	0.01
TERMINALING CHARGES	31,535.29	0.39
INTEREST EXPENSE	(8,041.58)	(0.10)
TOTAL OTHER INCOME (EXPENSE)	169,141.94	2.10
INCOME BEFORE INCOME TAXES	7,601.11	0.09
PROVISION FOR INCOME TAXES	(2,328.00)	(0.03)
NET INCOME	$ 5,273.11	0.07

SEE ACCOUNTANTS' COMPILATION REPORT

ANGELES CHEMICAL COMPANY, INCORPORATED
STATEMENT OF INCOME DETAIL
UNAUDITED
FOR THE TWELVE MONTHS ENDED APRIL 30, 1992

	YEAR TO DATE	%
SOLVENTS -SALES	$ 3,992,473.54	100.01
RETURNS & ALLOWANCES	(334.02)	(0.01)
TOTAL SALES	3,992,139.52	100.00
COST OF SALES	3,321,252.79	83.19
GROSS PROFIT	670,886.73	16.81
PACKAGING -SALES	1,115,989.95	100.67
RETURNS & ALLOWANCES	(7,393.65)	(0.67)
TOTAL SALES	1,108,596.30	100.00
COST OF SALES	855,830.89	77.20
GROSS PROFIT	252,765.41	22.80
BORTZ -SALES	2,964,831.64	100.50
RETURNS & ALLOWANCES	(12,858.68)	(0.44)
SALES DISCOUNTS	(1,827.49)	(0.06)
TOTAL SALES	2,950,145.47	100.00
COST OF SALES	1,890,342.32	64.08
GROSS PROFIT	1,059,803.15	35.92
TOTAL GROSS PROFIT	$ 1,945,995.42	24.17

SEE ACCOUNTANTS' COMPILATION REPORT

ANGELES CHEMICAL COMPANY, INCORPORATED
STATEMENT OF CASH FLOWS
UNAUDITED
FOR THE TWELVE MONTHS ENDED APRIL 30, 1992

CASH FLOWS FROM OPERATING ACTIVITIES:		
NET INCOME		$ 5,273.11
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:		
DEPRECIATION	$ 73,730.56	
EQUITY IN INCOME OF AFFILIATE	(128,333.82)	
CHANGE IN ASSETS AND LIABILITIES		
INCREASE IN ACCOUNTS RECEIVABLE	(444,656.70)	
INCREASE IN INVENTORY	(136,397.99)	
INCREASE IN PREPAID EXPENSES	(9,448.81)	
INCREASE IN DRUMS INVENTORY	(31,892.56)	
INCREASE IN ACCOUNTS PAYABLE	471,003.18	
DECREASE IN ACCRUED EXPENSES	(8,110.07)	
INCREASE IN CUSTOMER DEPOSITS	3,793.86	
INCREASE IN INCOME TAXES PAYABLE	1,528.00	
TOTAL ADJUSTMENTS		(208,784.35)
NET CASH USED BY OPERATING ACTIVITIES		(203,511.24)
CASH FLOWS FROM INVESTING ACTIVITIES:		
LOANS ADVANCED	(158,034.42)	
COLLECTION OF LOAN ADVANCES	131,912.00	
CAPITAL EXPENDITURES	(47,325.25)	
DISTRIBUTIONS FROM AFFILIATE	107,715.09	
NET CASH PROVIDED BY INVESTING ACTIVITIES		34,267.42
CASH FLOWS FROM FINANCING ACTIVITIES:		
PRINCIPAL PAYMENTS ON LOANS	(12,873.22)	
NET CASH USED BY FINANCING ACTIVITIES		(12,873.22)
NET DECREASE IN CASH		(182,117.04)
CASH AT BEGINNING OF PERIOD		474,695.16
CASH AT END OF PERIOD		$ 292,578.12

SEE ACCOUNTANTS' COMPILATION REPORT

APPENDIX II

BRAMSTEDT

and Associates Incorporated

Financial Consulting

Business Valuations

Financial Analysis

Qualifications of
Bramstedt & Associates, Inc.

Eric M. Bramstedt, CFA, has over 30 years experience in the field of financial analysis, equity evaluations, securities analysis and investment banking. From 1967 to 1977 Mr. Bramstedt was a senior security analyst and officer of two San Francisco based institutional research firms. He has prepared well over 300 business valuations on closely held companies for merger and acquisition, gift and estate taxes, Employee Stock Ownership Plans (ESOPs), incentive stock option plans and others. These valuations have covered a broad industry scope of closely held and public companies including several Fortune 1000 listings. Mr. Bramstedt possesses in-depth knowledge of ESOP functions and valuation through twelve years of extensive experience with three leading ESOP design and valuation firms--Menke & Associates, Kelso & Co. and Houlihan, Lokey, Howard & Zukin. This experience includes work for an employee coalition's proposed ESOP buy-out of Eastern Airlines.

Mr. Bramstedt is an industry specialist in transportation, particularly trucking. As such, he has investigated the operations and appraised the business values of several hundred motor carriers, many of which are located in California. Clients have included major domestic and international transportation companies for acquisition and investment banking and other applications. Mr. Bramstedt is Director of the PCTB Consulting Group, a division of the Pacific Coast Tariff Bureau of San Francisco. As such, he is editor of CAL-TIPS, an annual operating and financial study of the California less-than-truckload business.

Mr. Bramstedt is a Chartered Financial Analyst (CFA) and a member of the Institute of Chartered Financial Analysts, the Association for Investment Management and Research, the Transportation Research Forum, the Valuation Roundtable of San Francisco, and the Pacific Coast Accounting and Finance Council. He holds a Bachelor's Degree in Economics from Stanford University. He has written articles for industry periodicals and made public speaking appearances on transportation topics. Mr. Bramstedt has appeared as an expert witness before the California Public Utilities Commission and in civil court on matters of economic damages.

2402 Vista Del Mar Lane Tiburon, CA 94920-1208 Tel 415-435-9438 Fax 415-435-9438

114 Sansome St., Suite 808 San Francisco, CA 94104-3818 Tel 415-362-9900 Fax 415-362-6492

ANCHEM

Mr. Eric Bramstedt
Sansome Street Appraisers, Inc.
114 Sansome St. Suite 808
San Francisco, CA 94104

November 11, 1992

Dear Mr. Bramstedt:

Enclosed is Angeles' financial statements for the year ended April 30, 1992 for your use in appraising the stock value.

Should you have any questions or need further detail, please let me know.

Sincerely,

Tim Mahoney

Tim Mahoney
Controller

ANCHEM

TELECOPY TRANSMISSION
FROM
8915 Sorensen Ave.
Santa Fe Springs, Ca 90670

DATE 12/5/92 FAX TELECOPY NO: (310) 698-7571

TO: Eric Bramstedt

FROM: Tim Mahoney

NUMBER OF PAGES INCLUDING COVER SHEET: 1

IF YOU DO NOT RECEIVE ALL MATERIAL BEING TRANSMITTED, PLEASE CALL US AT (310-945-3911) AS SOON AS POSSIBLE. THANK YOU!

SPECIAL INSTRUCTIONS:

Info for Y/E 4/30/92

Industrial Customers : 179

Packaging " : 400

Jim Locke: Title : Operations Manager

" DOB 9/19/64

" Hire Date 5/20/85

Still working on gallons shipped. The reports I am getting are not correct.

ANGELES CHEMICAL CO., INC.
8915 Sorensen Avenue • P.O. Box 2163 • Santa Fe Springs, California 90670
Telephone (310) 945-3911 • (213) 685-4386 (L.A.) • (714) 521-7660

BR000266

Valuation

Because of insufficient demonstrable earning power and thin cash flow prospects, Bramstedt & Associates and the appraiser once again must look to the balance sheet for valuation purposes as in fiscal 1990 when we employed an adjusted book value approach.
as modified

Generally, capitalization of income and cash flow streams is the appropriate methodology for determining the equity fair market value of an operating company such as Anchem. The decision to utilize adjusted book value is based on the factors discussed and the appraiser's experience and knowledge in deriving equity values of closely held companies.

$1,473,684 $1,760,207

At April 30, 199~~1~~2, Anchem's stated book value was ~~$1,754,934~~ and working capital was ~~$1,503,000~~. Since Anchem has no long-term debt, this working capital basically accrues to the equity holders. (Cash and cash equivalents and receivables alone total $1.54 million. Following the valuation methodology used in $7.5% recent valuation studies and using a 5% asset liquidation discount, and a 10% discount for restricted marketability, produces an indicated fair market value of ~~$1,500,468~~, or equal to working capital.
1,465,372

Adjusted Book Value Method
Angeles Chemical Co.
April 30, 199~~1~~2

Stated Book Value		~~$1,754,934~~ $1,760,207
Less Liquidation Discount (5%)	7.5%	~~87,742~~ 132,015
Subtotal		~~1,667,187~~ 1,628,191
Less Marketability Discount (10%)		~~166,719~~ 162,819
Indicated Fair Market Value		~~$1,500,468~~ 1,465,372

Since the product of the adjusted book value methodology effectively accords no value to the Company's fixed assets and to business goodwill as a going concern, the appraiser believes this methodology understates the fair market value of the equity ownership of Anchem.

$1,423,578 $142,358 $1,565,000

In order to incorporate the economic worth of fixed assets and goodwill, Bramstedt & Associates has marked up the Company's working capital of ~~$1,500,000~~ by 10% or ~~$150,300~~ to produce an indicated fair market value (FMV) for ESOP purposes of the equity ownership of Anchem as of April 30, 199~~1~~2 of ~~$1,653,300~~ or ~~$30.60~~ 30.00 a share (rounded) on 54,065 shares outstanding. This working capital premium is consistent with that of the three prior years ~~(see page 2)~~ and the FMV is 92% of book value and 30% of sales (see page 2)

As of the ESOP plan year which began May 1, 1987, the ESOP Administration Committee changed its policy on paying terminating plan participants in a lump sum to paying participants terminated for reasons other than retirement at age 65 in five annual cash pay-outs commencing on the first anniversary of termination.

ANGELES CHEMICAL COMPANY, INCORPORATED
8215 SORENSEN AVENUE
SANTA FE SPRINGS, CALIFORNIA 90670

BALANCE SHEET

FOR 4/30/92

ASSETS			
CURRENT ASSETS			
PETTY CASH		6,254.02	
CASH IN BANK		207,504.10	
SHORT TERM INVESTMENTS	.00		
ALLOWANCE FOR MARKET VARIATION	.00		
NET INVESTMENTS		.00	
ACCOUNTS RECEIVABLE	1,030,926.26		
ALLOWANCE FOR DOUBTFUL ACCOUNTS	20,257.15CR		
NOTES RECEIVABLE	.00		
NET RECEIVABLES - TRADE		1,010,669.11DR	
ACCOUNTS RECEIVABLE - STALLION		112,553.95	
ACCOUNTS RECEIVABLE - OTHER		46,829.88	
ACCOUNTS RECEIVABLE - SAMSON		396,307.10	
EMPLOYEE ADVANCES		3,817.32	
INVENTORY - SOLVENTS AND CHEMICALS	527,492.67		
INVENTORY PACKAGING	287,540.50		
NET INVENTORY		815,033.17DR	
INVENTORY EXPENSE ALLOCATION		56,321.77	
INVENTORY - FUEL		3,343.39	
PREPAID INCOME TAXES		.00	
PREPAID INTEREST		2,107.64	
PREPAID PROPERTY TAXES		1,557.37	
PREPAID INSURANCE		140,996.25	
PREPAID AUTO LEASE		475.00	
PREPAID FEES		3,300.00	
PREPAID OTHER EXPENSE		20,978.05	
DEPOSITS		.00	
TOTAL CURRENT ASSETS			2,906,948.92DR
FIXED ASSETS - AT COST			
DRUMS	136,040.56		
OFFICE TRAILERS	99,567.42		
TRUCKS, TRAILERS AND AUTOS	219,335.36		
TANKS AND PLANT EQUIPMENT	723,270.88		
FURNITURE AND FIXTURES	214,708.06		
PLANT	354,660.97		
CONSTRUCTION IN PROCESS	.00		
TOTAL FIXED ASSETS		1,747,585.25DR	
LESS: ACCUMULATED DEPRECIATION		1,493,260.48CR	
NET FIXED ASSETS			254,324.77DR
OTHER ASSETS			
TOTAL OTHER ASSETS			.00DR
***** TOTAL ASSETS *****			3,161,273.69DR
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	1,220,261.78		
ACCRUED TANK TESTING	12,016.00		

ANGELES CHEMICAL COMPANY, INCORPORATED
8915 SORENSEN AVENUE
SANTA FE SPRINGS, CALIFORNIA 90670

BALANCE SHEET

PTD 4/30/92

ACCRUED PAYROLL	18,055.22		
ACCRUED COMMISSIONS PAYABLE	5,604.51		
ACCRUED WORKMENS COMPENSATION INS.	0.03		
ACCRUED EXOR EXPENSE	.00		
PAYROLL TAXES PAYABLE	3,332.60		
SALES TAXES PAYABLE	3,240.55		
INCOME TAXES PAYABLE	.00		
CUSTOMER DEPOSITS - CONTAINERS	60,000.00		
EMPLOYEE BENEFIT AND WELFARE FUND	.00		
NOTES PAYABLE CURRENT	[illegible]		
ACCRUED PROFIT SHARING	.00		
TOTAL CURRENT LIABILITIES		1,401,066.93	
LONG TERM LIABILITIES			
NOTE PAYABLE-LT	.00		
TOTAL LONG TERM LIABILITIES		.00	
**** TOTAL LIABILITIES ****			1,401,066.93
SHAREHOLDERS' EQUITY			
CAPITAL STOCK - $0.10 PAR VALUE			
10,000,000 SHARES AUTHORIZED			
54,045 SHARES ISSUED & OUTSTANDING		5,404.50	
PAID IN CAPITAL		105,723.80	
RETAINED EARNINGS - BEGINNING	1,643,803.35		
NET INCOME OR (LOSS)	5,273.11CR		
RETAINED EARNINGS		1,649,076.46	
TOTAL SHAREHOLDERS' EQUITY			1,760,206.74
** TOTAL LIAB. & SHAREHOLDERS' EQUITY **			3,161,273.67

ANGELES CHEMICAL COMPANY, INCORPORATED
8915 SORENSEN AVENUE
SANTA FE SPRINGS, CALIFORNIA 90670

INCOME STATEMENT

	FOR 5/1/91 TO 4/30/92		%
SALES		12,057,366.04CR	100.00
SALES DISCOUNTS, RETURNS & ALLOWANCES		22,413.84DR	.19
PURCHASE PRICE VARIANCE		33,476.57CR	.28
MFG.DEPT.LABOR VARIANCE		45,343.60CR	.38
COST OF SALES		9,399,178.19DR	77.95
**** GROSS PROFIT ****		2,714,794.18CR	22.52
OPERATING EXPENSES			
PRODUCTION EXPENSES:			
PHYSICAL INVENTORY COUNT VARIANCE	41,836.84		.35
INVENTORY LOSS DAMAGED GOODS	29,301.60		.24
DIRECT LABOR	250,227.06		2.08
INDIRECT LABOR	32,129.24		.27
PAYROLL TAXES	30,206.72		.25
WORKMENS COMP.INS.	75,665.51		.63
GROUP INSURANCE	66,757.30		.55
EMPLOYEE MEDICAL BENEFITS	.00		.00
OUTSIDE LABOR	219,009.64		1.82
AUTO/TVL	.00		.00
DRUM MAINTENANCE	127,728.10		1.06
DUES/SUBSCRIPTIONS	379.94		.00
EMPLOYEE WELFARE	9,766.00		.08
EQUIP.RENTAL	87.43		.00
FREIGHT IN	64,275.50		.53
FREIGHT--OUT	87,718.45		.73
INSURANCE GEN.	105,746.02		.88
LAB SUPPLIES	854.32		.01
OFFICE SUPPLIES	152.99		.00
PACKAGING PRINTING	14,580.36		.12
PLANT SUPPLIES	82,463.07		.68
PROF.SERVICES	1,115.00		.01
RENT	125,400.00		1.04
REPAIRS/MAINT.	31,742.39		.26
TANK TESTING	14,400.00		.12
TAXES/LICENSES	30,630.76		.25
TELEPHONE	1,146.43		.01
TRUCK	167,217.51		1.40
UNIFORMS	.00		.00
UTILITIES	14,863.63		.12
WASTE DISPOSAL	.00		.00
TOTAL PRODUCTION EXPENSES		1,627,203.98DR	13.50
SALES EXPENSES:	.00		.00
SALES SALARIES	192,993.99		1.60
PAYROLL TAXES	18,575.68		.15
WORKMENS COMP.INS.	7,574.50		.06
GROUP INSURANCE	15,673.38		.13
EMPLOYEE MEDICAL BENEFITS	.00		.00

BR000270

ANGELES CHEMICAL COMPANY, INCORPORATED
8915 SORENSEN AVENUE
SANTA FE SPRINGS, CALIFORNIA 90670

INCOME STATEMENT

	FOR 5/1/91 TO 4/30/92		%
OUTSIDE LABOR	.00		.00
ADVERTISING	16,692.97		.14
AUTO/TRVL.	54,012.28		.45
COMMISSIONS	2,011.16		.02
DUES/SUBSCRIPTIONS	1,273.56		.01
EMPLOYEE WELFARE	.00		.00
EQUIP.RENTAL	967.05		.01
OFFICE SUPPLIES	951.66		.01
POSTAGE	171.73		.00
PROF.SERVICES	.00		.00
RENT	.00		.00
REPAIRS/MAINT.	.00		.00
SALES PROMOTION TRAVEL	12,921.69		.11
SALES PROMOTION ENTERTAINMENT	30,587.52		.25
TAXES/LICENSES	.00		.00
TELEPHONE	24,960.12		.21
TOTAL SALES EXPENSES		380,167.03DR	3.15
ADMINISTRATIVE EXPENSES:	.00		.00
ADMIN.SALARIES	214,397.45		1.78
PAYROLL TAXES	13,068.42		.12
WORKMENS COMP.INS.	5,272.46		.04
GROUP INSURANCE	23,900.06		.20
EMPLOYEE MEDICAL BENEFITS	.00		.00
OUTSIDE LABOR	2,141.75		.02
AUTO/TVL	5,133.14		.04
BAD DEBT	12,000.00		.10
COMPUTER	10,124.68		.08
DIRECTORS FEES	.00		.00
DONATIONS	250.00		.00
DUES/SUBSCRIPTIONS	13,850.56		.11
EMPLOYEE WELFARE	1,622.16		.01
EQUIP.RENTAL	1,302.26		.01
INSURANCE-PROPERTY	4,800.00		.04
MISC. EXPENSE	.00		.00
OFFICE EXPENSE	19,971.45		.17
POSTAGE	6,509.87		.05
PROF.SERVICES	57,967.57		.48
PROFIT SHARING	15,662.94		.13
RENT	12,000.00		.10
REPAIRS/MAINT.	8,040.52		.07
TAXES/LICENSES	3,400.60		.03
TELEPHONE	72.86		.00
UTILITIES	3,344.26		.03
TOTAL ADMINISTRATIVE		435,720.10DR	3.61
DEPRECIATION		73,739.59DR	.61
COMMISSIONS-BORTZ		102,047.22DR	.85
* TOTAL OPERATING EXPENSES *		2,619,668.77DR	21.73
** OPERATING INCOME OR (LOSS) **		95,127.19CR	.79

ANGELES CHEMICAL COMPANY, INCORPORATED
8915 SORENSEN AVENUE
SANTA FE SPRINGS, CALIFORNIA 90670

INCOME STATEMENT

	FOR 5/1/91 TO 4/30/92		%
OTHER INCOME			
PURCHASE DISCOUNTS	1,132.49		.01
DEMURRAGE CHARGED	50.00		.00
DIVIDEND INCOME	.00		.00
INTEREST INCOME	12,731.14		.11
LEASING INCOME	.00		.00
SALE OF ASSETS	.00		.00
TERMINALING CHARGES	31,535.29		.26
MISCELLANEOUS	3,400.78		.03
		48,849.70CR	.41
OTHER EXPENSE			
INTEREST EXPENSE	8,041.50		.07
GAMSON INCOME SPLIT	128,333.90		1.06
CONSULTANT EXPENSE	.00		.00
ACQUISITION START-UP EXPENSE	.00		.00
		136,375.40DR	1.13
EXTRAORDINARY ITEMS			
OTHER	.00		.00
		.00	.00
NET INCOME OR (LOSS) BEFORE TAXES		7,601.47CR	.06
PROVISION FOR TAXES		2,328.00DR	.02
***** NET INCOME OR (LOSS) *****		5,273.47CR	.04

Sansome Street Appraisers, Inc.

Mendham, New Jersey

114 Sansome Street, Suite 808
San Francisco, California 94104-3818
(415) 362-9900
Fax (415) 362-6492

September 14, 1992

Mr. Tim Mahoney
Angeles Chemical Co.
P.O. Box 2163
Santa Fe Springs, California 90670

Dear Tim:

I am writing about Anchem's fiscal 1992 ESOP valuation.

According to my records, the fee quoted for this valuation was $2,750 assuming no complications, such as with Saramco, and no field visit.

When do you expect to have your accountant's year-end statements? Also, is John going on vacation this fall?

May I hear from you at your earliest convenience.

Sincerely,

Eric Bramstedt

Eric M. Bramstedt

EMB:ew

-714-521-7660

ANCHEM

Mr. Eric Bramstedt
Bramstedt and Associates Incorporated
114 Sansome St., Suite 808
San Francisco, CA 94104-3818

November 25, 1992

Dear Mr. Bramstedt:

Enclosed is the financial statements for the year ended April 30, 1992 prepared as if Samson was a part of Angeles and a fee paid to Saramco. For example, the revenue or the freight expense belonging to Samson and not included in the CPA's compiled report is included in the enclosed report. The income split reflected as income in the CPA's report is included as an expense in the consolidated.

If you have any questions about this report, please let me know.

Sincerely,

T. M. Mahoney

Tim Mahoney
Controller

ANGELES CHEMICAL CO., INC.
8915 Sorensen Avenue • P.O. Box 2163 • Santa Fe Springs, California 90670
Telephone (213) 945-3911 • (213) 685-4386 (L.A.) • (714) 521-7660

BR000274

EVALUATION
of the
COMMON STOCK
of

ANGELES CHEMICAL CO.

as of
April 30, 1991

Prepared by:
Bramstedt & Associates, Inc.
November 1991

B R A M S T E D T
and Associates Incorporated
Financial Consulting
Business Valuations
Financial Analysis

November 18, 1991

CONFIDENTIAL

Employee Stock Ownership Plan
Administrative Committee
Angeles Chemical Co.
P.O. Box 2163
Santa Fe Springs, California 90670

Attn: Mr. John Locke

Gentlemen:

You have requested we establish the fair market value of the common stock of Angeles Chemical Co. for Employee Stock Ownership Trust (ESOT) purposes as of April 30, 1991.

Our evaluation places a fair market value of $1,653,300 on the common stock of Angeles Chemical Co. as of April 30, 1991. Based on 54,065 A and B common shares outstanding, the value per share is $30.60. This evaluation is derived from adjusted book value and is discounted for restricted marketability. The valuation conclusion was transmitted orally to John Locke on November 14, 1991.

The valuation report was prepared by Bramstedt & Associates, Inc. as a subcontractor to Sansome Street Appraisers, Inc.

Earnings prospects can change, as can the general economic climate. Federal regulations require that the Company's common stock be reevaluated at least annually for ESOT purposes.

Very truly yours,

BRAMSTEDT & ASSOCIATES, INC.

Eric M. Bramstedt

Eric M. Bramstedt, CFA
President

EMB:ew
enclosure

2402 Vista Del Mar Lane Tiburon, CA 94920-1208 Tel 415-435-9438 Fax 415-435-9438
114 Sansome St., Suite 808 San Francisco, CA 94104-3818 Tel 415-362-9900 Fax 415-362-6492

TABLE OF CONTENTS

I. INTRODUCTION

Angeles Chemical Co. ("Anchem" or the "Company") has requested Bramstedt & Associates, Inc. render its opinion as to the fair market value of the Company's common stock in connection with transactions involving the Company's Employee Stock Ownership Trust (ESOT). This valuation is based on financial data provided us for the five fiscal years ended April 30, 1991 and is derived from an adjusted book value methodology.

In that regard, Bramstedt & Associates places a fair market value of $1,653,300 or $30.60 per share on the common stock of Anchem as of April 30, 1991 based on 54,065 A and B shares outstanding.

Anchem is a closely held corporation with no present market for its common stock. It is a regional Southern California liquid chemical distributor whose products are primarily used in industrial and commercial coating applications. Sales in fiscal 1990 and 1991 have stabilized at $8 million after falling over 50% from a peak of $16.8 million in fiscal 1982. The Company nearly broke even in fiscal 1991 after recording comparatively small losses in fiscal years 1990 and 1989, the first deficits in its 19-year history. A recent joint venture agreement with a former competitor, Samson Chemical Co., may allow Anchem to return to profitability on higher sales in fiscal 1992. Potential soil and underground water contamination problems at Anchem's plant two years ago have turned out not to be serious and should not require significant remedial and other costs. Anchem has a liquid, debt-free balance sheet.

Like all chemical processors, however, Anchem and its customers are facing significant environmental regulations in the Los Angeles Basis that have seriously affected Anchem's business base and longer term prospects.

Scope of the Valuation Study

The purpose of this valuation study is to determine the fair market value of a minority interest in the common stock of Anchem as of April 30, 1991 for transactions involving the Company's Employee Stock Ownership Trust.

In performing this valuation study, a variety of data and assumptions was used. The financial information on past performance was gathered from the financial statements of Anchem as prepared by its accounting firm for the past five fiscal years. We have included in Appendix I a copy of Anchem's most recent financial statement, for the fiscal year ended April 30, 1991.

Projections of expected future financial performance through fiscal 1992 were provided by management. The appraiser has visited the Company's facilities in Santa Fe Springs, California, most recently in June 1990. Interviews were held with members of management and with certain outside sources with regard to the chemical distribution industry generally and specifically about several important environmental/regulatory issues facing the Company.

In ascertaining the value of the Company, published data on publicly traded companies were utilized in an effort to find comparable companies. There were no companies which were found to be directly comparable.

Prior ESOP Valuations and Reports

Anchem's ESOP was established during fiscal year 1984 as a conversion from a profit sharing plan. ESOP valuations for Anchem since fiscal 1987 have been prepared by Menke & Associates, Inc. and Bramstedt & Associates, Inc. Bramstedt & Associates' valuation report for April 30, 1990 is dated October 1990. All these reports are herein incorporated by reference and contain a description of the chemical distribution industry; Anchem's history, operating description and management; and the valuation methodologies employed.

The table below illustrates the aggregate ESOP (minority interest) values relative to certain financial criteria for fiscal years 1987-91:

ESOP Valuation Summary
F1987-1991

			Percent of			Times	
Date	Aggregate ESOP Value	Per Share	Sales	Assets	Equity	Gross Profit	Working Capital
4/30/91	$1,653,300	$30.60	20.8%	61.2%	94%	0.83X	1.10X
4/30/90	1,527,885	28.25	18.8	54.7	85	0.79	1.14
4/30/89	1,635,995	30.25	18.2	53.9	81	0.79	1.08
4/30/88	1,730,000	32.00	18.3	56.5	81	0.72	1.15
4/30/87	2,122,604	39.25	20.2	65.0	100	0.78	1.46

Limitations of this Valuation

In preparing the valuation, Bramstedt & Associates relied upon and assumed the accuracy and completeness of all financial, statistical and other information provided by Anchem. Bramstedt & Associates also considered information based upon other publicly available sources which it believes to be reliable, however Bramstedt & Associates and the appraiser do not guarantee the accuracy and completeness of such information and did not independently verify the financial statements and other information. The appraiser is not aware of material omissions or understatements which would affect values contained in this report. The fair market value arrived at herein represents the appraiser's considered opinion based upon the facts and information presented to him. No legal opinion is expressed by this report and its accompanying documents.

This valuation report does not address matters requiring special expertise or knowledge not generally held by business appraisers.

As such, this report does not specifically address such issues as toxic contamination, hazardous waste, engineering and structural soundness, litigation and legal concerns, etc.

This appraisal is intended for the purpose(s) stated herein. Any other application by the Company, its shareholders and others may not be appropriate.

Neither the appraiser nor Bramstedt & Associates, Inc. has any present financial interest in Anchem, and the fee for this valuation is not contingent upon the value(s) determined. The qualifications of Bramstedt & Associates to undertake this valuation are summarized in Appendix II.

II. VALUATION PROCESS

The stock in this valuation has been evaluated based upon: (1) the pertinent principles, regulations and guidelines of the Internal Revenue Service and the Department of Labor; (2) analysis of the Company's financial statements; (3) thorough discussions with management; and (4) analysis of relevant industry conditions and other factors.

Definitions

The following terms will recur throughout the valuation and should be understood by the following definitions, except as otherwise noted:

Fair Market Value -- The Internal Revenue Service has defined "fair market value" in Revenue Ruling 59-60, issued in March 1959, as:

> "...the price at which the property would change hands between a willing buyer and a willing seller when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, both parties having reasonable knowledge of relevant facts. Court decisions frequently state, in addition, that the hypothetical buyer and seller are assumed to be able, as well as willing, to trade and be well informed about the property and concerning the market for such property."

This definition is widely accepted and used in courts of law and in tax literature and is the most widely used approach in valuing closely held securities. It is the basic definition upon which we have relied in determining the fair market value of the Company's stock. Revenue Ruling 59-60 was issued for estate valuation purposes, but is not limited to that use. It serves as a guide in virtually all valuation situations requiring the determination of fair market value.

Pretax and Pre-Contribution Earnings -- Pretax earnings refer to earnings or income before federal, state and local income taxes. Pre-contribution earnings refer to pretax earnings before discretionary employee benefit plan contributions.

ESOP -- Employee Stock Ownership Plan and ESOT -- Employee Stock Ownership Trust refer essentially to the same entity and for purposes of this valuation can be considered interchangeable.

IRS & DOL Guidelines

In general, a company whose securities are traded in volume by informed persons in a free and active market has its fair market value determined continuously. The prices at which the securities of such a company trade are a reflection of the collective opinion of the investing public as to what the future prospects of the company are at that point of time. However, when a stock is traded infrequently, or is traded in an erratic market, or is closely held, such as in the case of Anchem, some other measure of value must be found.

The Internal Revenue Code of 1954, Section 2031(b), specifies that the value of stocks and securities of corporations not listed on an exchange or freely traded "...shall be determined by taking into consideration, in addition to all other factors, the value of stock or securities of corporations engaged in the same or a similar line of business which are listed on an exchange."

Revenue Ruling 59-60, issued in March 1959 for estate valuation purposes and extended to include the determination of fair market value of closely held businesses for income and other tax purposes by Revenue Ruling 65-193, further develops a set of eight criteria which, while not all-inclusive, are fundamental to the appraisal of the fair market value of closely held companies.

The Department of Labor has issued proposed regulations on "Adequate Consideration" which address valuation issues affecting Employee Stock Ownership Plans. These proposed regulations endorse Revenue Ruling 59-60 and set forth other factors to be considered in valuing securities for ESOT purposes.

Consequently, this report has considered the following factors:

-- History of the Company and Nature of Its Business

-- Economic Outlook in General and Condition and Outlook of the Industry in Particular

-- Book Value of the Stock and Financial Condition of the Business

-- Earnings Capacity of the Company

-- Dividend Paying Capacity

-- Whether or Not the Enterprise Has Goodwill or Other Intangible Assets

-- Sales of Stock and Size of the Block of Stock to be Valued

-- The Market Price of Stocks of Corporations Engaged in the Same or a Similar Line of Business Having Their Stocks Actively Traded in a Free and Open Market or Over the Counter

The Effect of ESOP Contributions on Fair Market Value

Anchem's ESOP was established in fiscal 1984. The Company made cash contributions of $13,900 in fiscal 1990 and $15,248 in fiscal 1991.

The implementation of an Employee Stock Ownership Plan may have a material effect on the profitability and cash flows of a business enterprise. The effect on profitability and cash flows can, as a consequence, directly impact the fair market value of the business enterprise. The degree of effect depends on how the ESOP is funding the annual contribution itself (cash or stock).

An additional consideration in determining fair market value for an ESOP company is how the Company is providing for the emerging liability created when vested terminated plan participants tender Company stock for redemption.

For detailed discussions of the effect of cash and/or stock contributions on earnings, cash flows and book values and of the impact of emerging liability treatment on ESOP stock marketability, see Section II of the November 1987 valuation study prepared by Menke & Associates.

Comparability in Accounting Methods

The accounting profession allows a number of alternative accounting treatments in areas such as inventory and depreciation accounting. Depending upon the particular accounting method utilized, reported earnings may differ materially within a given year. These accounting treatments, which are permitted under Generally Accepted Accounting Principles (GAAP), are usually one-time decisions. Once a company has opted for a particular accounting treatment it cannot change between various accounting alternatives year after year without good cause. Because of these rules, accounting statements for a particular company are generally comparable from year to year. This comparability, however, may not exist from company to company even if they are in the same industry. This is especially true if one is comparing a "public" company with a "closely held" company.

A further discussion of the differences and economic ramifications of public and private Company accounting procedures is also found in Section II of the November 1987 valuation study.

Discounts to Fair Market Value

The marketability of the company's stock, the control position of majority shareholders, and the relationship of these factors to the block of stock being valued can also affect the concluded value.

Closely held stock, which lacks marketability, is far less attractive than a similar stock with ready access to the public marketplace. In valuing a block of stock, Revenue Rulings and

court decisions provide a basis for concluding that a discount is valid for an absence of marketability if the value base does not already reflect the lack of marketability.

Further, a minority stock interest in a closed corporation is usually worth much less than a proportionate share of the entity value of all the corporate stock. Discounts can range from 10% to 30% or more. When minority interest and lack of marketability discounts are both applied, they are sequential.

III. COMPANY AND INDUSTRY

Angeles Chemical is a resale/distributor primarily of liquid industrial chemicals used principally in the coating process. In fiscal 1991, sales of solvents were $3.9 million (vs. $4.9 million in fiscal 1990); packaging--$892,000 ($556,000); and Bortz--$3.2 million ($2.7 million). Thus, the decline in lower (gross) margin solvent sales for the commercial sector was nearly offset by sales increases at Bortz and packaging or to the higher margin consumer/retail market. This anticipated shift to a 50-50 sales break-down between consumer and industrial from 60-40 from several prior years contributed to the overall gross margin improvement in fiscal 1991 to 25.0% from 23.8% in fiscal 1990. Bortz, as explained in previous valuation reports, is a packager of paint thinners and finishes for the consumer/retail market which Anchem acquired in fiscal 1986 to broaden its sales base.

Since the peak in 1982 at $16.8 million, Company dollar sales have dropped over 50% to the $8 million level of fiscal 1990 and 1991. Physical volume has declined even more because of periodic price increases. Dollar sales in fiscal 1991 were down a modest 2.4% to $7.94 million, the lowest year-to-year drop since the sales erosion began in fiscal 1983. Product gallons shipped were 3,062,000. Prices were increased temporarily to pass along higher raw material cost increases during the early phase of the fall 1990 Gulf crisis.

The multi-year sales fall-off reflects the loss of major ($1 million-plus) accounts as several customers moved out of Southern California or changed their supplier source away from Southern California. The ever-increasing environmental regulations in Greater Los Angeles have created an increasingly expensive and difficult operating circumstance for chemical processors and distributors and their customers.

In 1991, Anchem had about 193 active industrial customers and 440 in the packaging division. All are located in Southern California. Ellis Paint Company, owned by Robert Berg, an Anchem founder and shareholder, is an important customer.

Anchem's basic raw materials are these organic chemicals--propylene, methanol, toluene, xylene, ethylene glycol, acetone and isopropyl alcohol. These are forms of petroleum distillates which are purchased from Shell, Union Carbide, Exxon, Celanese and Vulkan Materials. The Company has on-site 32 underground storage tanks of 5,000 to 20,000 gallons capacity each and four above-ground tanks (old railroad tank cars): one of 10,000 gallons capacity and three of 6,000 gallons each.

Anchem operates out of administrative offices, packaging and storage facilities on a 1.8 acre site in Santa Fe Springs, California. The structures and improvements are Company-owned, while the underlying real estate is owned by a partnership comprised of the three founding stockholders--John Locke, Robert Berg and Arnold Rosenthal. Mr. Rosenthal is no longer active in the Company. Previous report discussions concerning the sale of the underlying real estate to the Company by the partnership are in limbo because of contamination issues discussed herein. Anchem rents downtown Los Angeles warehouse space from Robert Berg.

As of the summer of 1991, Anchem had 28 full-time employees versus 26 a year earlier. The Company has increased temporary or part-time help reflecting the higher packaging sales.

Samson Chemical Co. Joint Venture

On March 31, 1991, Anchem entered into a five and a half year agreement with Saramco, Inc., dba Samson Chemical Co., to operate on a joint venture basis for five years beginning October 1, 1991 after an interim six month trial period which ended on September 30, 1991. If the joint venture is still effective on September 30, 1996, Samson will cease operations and transfer to Anchem its distributor relationships and its business and customer accounts.

Samson was a Torrance, California based chemical distributor operating unprofitably on annual sales of $3.5 million or about 45% of Anchem's size. Under the agreement, Samson President Robert Custer and six employees have relocated to Santa Fe Springs and the employees have been put on Anchem's payroll. Samson transferred its inventory of bulk, bagged and drum chemical products to Anchem's facility. Samson's physical and operating assets were not transferred and are being disposed of. Samson retained control of and responsibility for its pre-agreement receivables. Anchem purchased common product inventory only and is storing at no cost transferred non-common product inventory.

Samson's income, net of any cumulative losses, is shared equally by the two companies on a monthly basis. Income is defined as Samson's sales less: product cost; Samson employee compensation and fringes; sales expenses; insurance; freight; truck and net drum reconditioning expenses. Anchem provides at no cost warehousing of all products and certain office services such as accounting, inventory and business reports. For the month of April 1991, the Samson income split was $11,685. Mr. Custer's salary is paid out of the split.

Under this business combination, Anchem expects to achieve economies of scale and broaden its line to include epoxy products it did not previously offer. Samson President Robert Custer (58) brings experience in industrial chemicals and can serve as a senior management backup to John Locke. While the immediate profit potential to Anchem from this arrangement may not be substantial, Anchem has the opportunity to generate a new profit source without direct exposure to operating losses and with a limited financial risk. During the five-year term, both companies maintain separate operations and customers.

The Samson joint venture is Anchem's second business combination in five years as the Company seeks to counter its long-term sales decline. By limiting risk in the Samson transaction, management may be trying to avoid some of the financial exposure experienced in the 1986 Bortz acquisition.

Management and Ownership

The Company senior management as of summer 1991 were:

Officer	Title	Joined Co.	Age
John Locke	President, CEO	1971	64
Robert Berg	Secretary/Treasurer	1971	59
Robert Custer	President - Samson Chemical	1990	58
Tim Mahoney	Controller	1990	34

Robert Custer is a chemical engineer, MBA with experience in chemical distribution and as such provides important management and sales support for John Locke. Mr. Custer is concentrating on the industrial market and Mr. Locke on retail and proprietary products.

Candy Hutton, a long-time employee, remains operations manager.

The Board of Directors consists of John Locke, Robert Berg, and Arnold Rosenthal. A Company founder, Mr. Rosenthal sold his stock to the ESOP in 1984 and had a consultant agreement with Anchem until in July 1989 (fiscal 1990). Mr. Berg's primary employment is President of Ellis Paint Co.

As of April 30, 1991 there were 40,000 Class A and 14,065 Class B common shares outstanding (excluding treasury stock) as follows:

Holder	Number of Shares	
John Locke	20,000 A shares	37%
Robert Berg	20,000 A shares	37
ESOP	14,065 B shares	26
Total	54,065 A&B shares	100%

Class A common stock is voting and Class B is nonvoting. Otherwise, the two classes are equal. A valuation discount for the nonvoting Class B stock has not been taken by the prior appraisers nor by Bramstedt & Associates since the stock is in an ESOP where voting rights are not passed through in any event except for major corporate issues.

Environmental Issues

Previous valuation studies have discussed in detail the environmental issues and regulations confronting Anchem and chemical processors and manufacturing generally in greater Los Angeles. Specifically, Anchem must comply with a number of regional environmental regulatory agencies. These include the South Coast Air Quality Management District, Environmental Protection Agency, Water Resources Board, California Highway Patrol (hazardous material, permit inspections, etc.), Fire Department of the City of Santa Fe Springs, and others. Anchem has no environmental agency actions, citations or violations as of this report date.

In 1989 Anchem retained an environmental consultant, SCS Engineers, to undertake extensive testing for possible soil or groundwater pollution at the Santa Fe Springs site in connection with its Los Angeles County Water Resources Board underground storage tank (UST) operating permit. Subsequent testing by SCS and Anchem found no serious UST leakage or soil contamination except for some possible leaching from an adjacent McKesson Chemical clean-up site.

Thus, as of Summer 1991, Anchem is in general compliance and not facing any significant near-term operational or financial constraints from environmentally related problems. Tank testing costs averaged about $22,000 in each of the past two fiscal years and may continue near that level in the future. Additional groundwater test wells by SCS may be required. Under current industry conditions, it is difficult for Anchem to pass these costs through; however, the Company is not now facing major remedial costs. Nonetheless, by the late 1990s Anchem may have to replace its existing USTs.

The possible incurrence of significant clean-up and remedial expenses was a material valuation consideration in fiscal 1989. In a broader sense, ongoing environmental encumbrances on Anchem's business and operations are reflected in the valuation conclusion at April 30, 1990 and 1991 but not as significantly as in 1989.

For a more detailed discussion and perspective on the environmental circumstances at Anchem, see Menke & Associates' ESOP valuation study of September 1989 and Bramstedt & Associates' ESOP report of October 1990.

The Industry

Bramstedt & Associates does not believe there has been any basic change in fundamental industry trends and for small independent distributors from that discussed in the October 1990 valuation report, which see.

The current business recession in California could be expected to have a negative impact on Anchem's sales, but for the first five months of fiscal 1992 Anchem's comparative sales are up over 10%.

Financial Analysis and Review

Anchem has provided Bramstedt & Associates with financial statements for the fiscal years 1987-1991. These financial statements have been thoroughly examined and discussed with management. A copy of the Company's financial statement for the fiscal year ended April 30, 1991, prepared as a compilation by Arthur Buhlman & Co., CPAs, is attached as Appendix I.

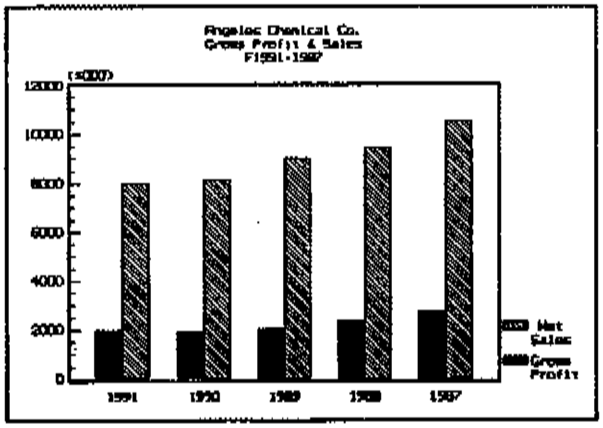
The results of our review and analysis of Anchem's financials are contained in the exhibits outlined below:

Exhibit A -- Comparative Income Statement, FY1987-1991
Exhibit B -- Comparative Balance Sheets, FY1987-1991
Exhibit C -- Selected Financial Ratios, FY1989-1991

These exhibits are presented at the end of this section of the report. The following comments and observations are based upon Bramstedt & Associates' review and analysis of the Company's financial statements. For the one month of fiscal 1991, Saramco's operations are not consolidated but are incorporated in a one-line (miscellaneous) income entry, "income split - Samson."

Exhibit A contains Anchem's comparative operating statement in terms of dollars and dollars as a percent of sales for the period fiscal 1987-1991. This statement reveals very little change year-to-year in Anchem's financial and operating performance. Most importantly, and after falling steadily by over 50% since fiscal 1982, Anchem's sales stabilized at just under $8 million, a very modest 2.4% drop from the $8.14 million in fiscal 1990. Cost of sales in fiscal 1991 was down $239,000 or 3.8% to just under $6 million (75%) from $6.2 million (76.2%) a year earlier.

Accordingly, gross profit in fiscal 1991 rose 2.3% to $1.98 million (25.0%) from $1.94 million (23.8%) in fiscal 1990. As discussed earlier, a shift in the Company's sales mix in fiscal 1991 to more consumer/retail favorably impacted gross margins. Except for higher oil related product prices during the Fall of 1990 which were related to the Persian Gulf crisis, Anchem did not generally raise its product prices nor did it experience any material changes in raw material costs. At 25%, gross profit margins were the best since 26.4% in fiscal 1988.



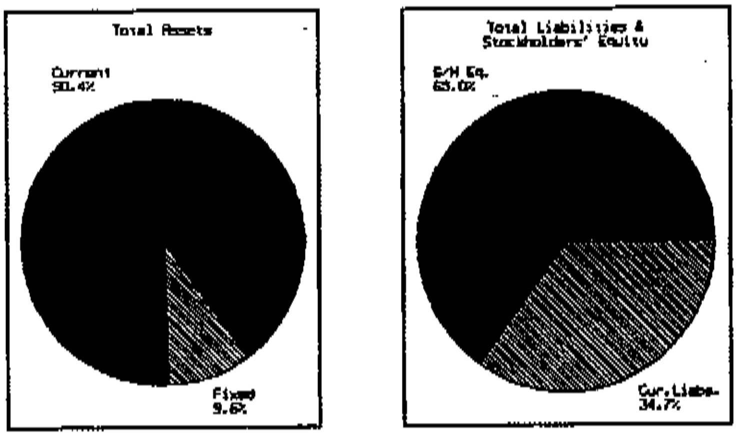
Operating expenses fell $92,000 or 4.2% to $2.09 million (26.4%) from $2.19 million (26.9%) in fiscal 1990 as the Company continues to rachet down its general and administrative costs in concert with the longer term sales decline. Most of the operating expense decline in 1991 was achieved through a substantial reduction in officers' salaries and lower office, sales and direct wages resulting from a lesser average number of employees during the year. On the other hand, outside labor expense jumped over 40% as the Company uses this type of labor in its packaging operations, which were running at a higher sales volume. Expense categories which showed increases also included worker's comp, group insurance, plant expense, professional services (mostly higher lawyers' fees), taxes and licenses, and Bortz commissions. Depreciation charges on the other hand fell from $195,000 to $151,000 and there was also a $13,500 favorable swing in directors' fees. Overall, the Company appears to have contained discretionary and controllable expenses.

Slightly higher gross profit and slightly lower operating expenses led to a reduction in the operating loss to $112,000 in fiscal 1991 from $248,000 in fiscal 1990. Other income (interest, terminaling charges, etc.) increased to $98,000 from $56,000 in fiscal 1990. Interest expense fell to $22,000 in fiscal 1991 from $47,000 a year earlier.

As a result, the Company significantly reduced its pre- and post-tax losses to $36,000 in fiscal 1991 from a net loss of $239,000 in fiscal 1990. Thus, Anchem essentially broke even in fiscal 1991 as it did in fiscal 1988 (its last non-loss year) when sales were $1.5 million higher.

Exhibit B contains Anchem's comparative balance sheet in terms of dollars and dollars as a percent of assets for the period fiscal 1987-1991.

Angeles Chemical Co.
Balance Sheet Profile
April 30, 1991

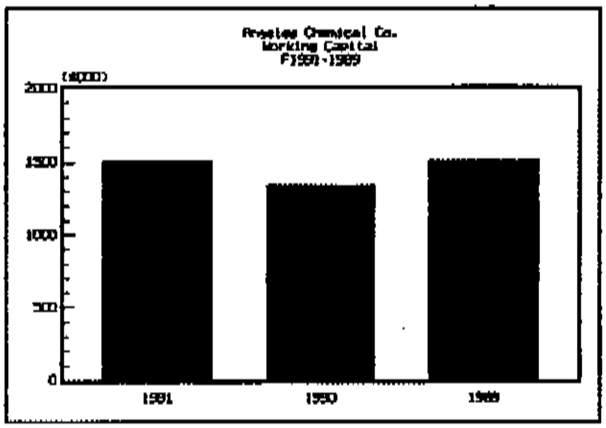


This statement shows total assets at April 30, 1991 of $2.7 million, down insignificantly from a year earlier but off 17.3% or $565,000 from April 30, 1987 as the Company's business base has shrunk. In fact, for book accounting purposes the Company has nearly written down its fixed asset account because net fixed assets at $249,000 at April 30, 1991 were only 15% of book cost. During fiscal 1991 the Company made no material capital expenditures and in fact sold some operating equipment.

Current assets at $2.44 million at April 30, 1991 now constitute a very high 90.4% of total assets as compared with $2.3 million (83.3%) at April 30, 1990 and progressively lower ratios retrospectively over the last several years. Cash and liquid investments jumped 39.3% or $134,000 to $475,000 (17.6%) and the highest relative and absolute levels since fiscal 1986. Accounts receivable were also reduced as they have been progressively, or by $158,000 year-to-year or 12.9% to $1.063 million (39.4%). On the other hand, inventories jumped 19.4% or $120,000 to $738,000 (27.3%) reflecting the Samson inventory additions. The inventory categories which increased were chemicals and Bortz packaging. Prepaid expenses and taxes increased $17,000 to $164,000 (6.1%).

Current liabilities showed a modest 4.7% drop to $937,000 (34.7%) at April 30, 1991. Therefore, there were no major year-to-year changes in any of its major components (see Exhibit B) of which accounts payable at $749,000 (27.7%) is the largest. Long-term liabilities were a very modest $9,000 at April 30, 1991 and shareholders' equity was $1.75 million (65.0%), off slightly from $1.79 million (64.0%) a year earlier.

Exhibit C presents selected financial and operating ratios for the fiscal years 1989 through 1991. It shows that Anchem's previously solid and liquid balance sheet has qualitatively strengthened further during fiscal 1991. Specifically, the current and quick ratios jumped to 2.6 and 1.64 times respectively at April 30, 1991 from 2.37 and 1.59 times respectively a year earlier.



Working capital, which is composed primarily of accounts receivable and cash and equivalents, rose to $1.50 million. Because of this increase on static sales, the sales to working capital ratio dropped to 5.3 times from 6.0 times at April 30, 1990. Much of this liquidity is excess to the Company's ongoing operating business requirements and will not now apparently be needed for possible substantial environmental remedial costs as discussed earlier in this report. Consequently, the internal funds are available conceptually to purchase stock from existing shareholders or the ESOT or to help finance the purchase of the underlying Santa Fe Springs real property from the shareholder partnership. This transaction was contemplated a few years ago but has been deferred because of environmental issues.

Inventory turns dropped somewhat to 8.1 times during fiscal 1991 because of the higher inventory on the static sales. Anchem continues to record negative returns on equity. Because of the operating circumstances and strong balance sheet profile discussed in this section, once again Anchem's source of value for equity ownership is found in the balance sheet. For fiscal 1992 management is forecasting that Anchem's sales ex-Saramco may be slightly above fiscal 1991's $8 million and that the Company might record a slight profit.

Appendix I contains a statement of cash flows for fiscal 1991 which is summarized and compared to fiscal 1990 as follows:

	F1990	F1991
	(000)	
Net cash from (used):		
Operating activities	$ 94	$140
Investing activities	(90)	3
Financing activities	(34)	(9)
Net change in cash	$(30)	$134

The net cash provided by operating activities of $140,000 in fiscal 1991 is principally composed of depreciation ($151,000), a decrease in accounts receivable ($183,000) and an increase in customer deposits ($55,000) partially offset by an increase in inventory ($120,000), a gain on assets sale ($42,000), and the net loss ($36,000). The $3,000 net cash provided by investing activities reflects the net of $28,000 advanced to Stallion Tank Lines, an affiliated company, and $36,000 of capital expenditures as represented by equipment leases offset by $67,000 from assets sale proceeds. Net cash used in financing activities of $9,000 is the net draw down on principal loan payments over loan proceeds. Overall, there was a $134,000 increase in cash during fiscal 1991.

ANGELES CHEMICAL CO.

Exhibit A

Comparative Income Statement, F1987-1991
($000)

FYE 4/30:	1991		1990		1989		1988		1987	
Net Sales	$7944	100.0%	$8139	100.0%	$9003	100.0%	$9442	100.0%	$10521	100.0%
Cost of Sales	5960	75.0	6199	76.2	6945	77.1	7040	74.6	7787	74.0
Gross Profit	1983	25.0	1939	23.8	2057	22.9	2402	25.4	2734	26.0
Operating Expenses	2095	26.4	2187	26.9	2203	24.5	2497	26.4	2640	25.1
Operating Income	(112)	(1.4)	(248)	(3.0)	(145)	(1.6)	(95)	(1.0)	94	.9
Other Income	98	1.2	56	.7	105	1.2	189	2.0	73	.7
Other Expense (Int)	(22)	(.3)	(47)	(.6)	(112)	(1.2)	(123)	(1.3)	(88)	(.8)
Pretax Income (Loss)	(35)	(.5)	(239)	(2.9)	(152)	(1.7)	(29)	(.3)	79	.8
Provision for Taxes	(1)	--	--		42	.5	43	.5	(12)	(.1)
Net Income	$ (36)	(.5)	$(239)	(2.9)	$(110)	(1.2)	$ 14	.1	$ 67	.6

SOURCE: Company financial statements (unaudited).

ANGELES CHEMICAL CO.

Exhibit B

Comparative Balance Sheet
1987-91
(000)

As of 4/30:	1991		1990		1989		1988		1987	
Current Assets:										
Cash and liquid invstmnts.	$ 475	17.6%	$ 341	12.2%	$ 371	12.2%	$ 243	7.9%	$ 202	6.2%
Accounts receivable	1063	39.4	1221	43.7	1139	37.5	1222	39.9	1323	40.5
Inventories	738	27.3	618	22.1	719	23.7	773	25.3	794	24.3
Prepaid expenses/other	164	6.1	147	5.3	257	8.5	184	6.0	206	6.3
Total	2440	90.4	2327	83.3	2486	81.8	2421	79.1	2526	77.3
Fixed Assets at Cost	1668		1831		1844		1724		1601	
Accumulated Depreciation	(1419)		(1366)		(1292)		(1101)		(868)	
Net Fixed Assets	249	9.2	465	16.6	552	18.2	623	20.4	733	22.4
Other Assets	12	.4	--		--		17	.5	8	.2
Total Assets	$2701	100.0	$2792	100.0	$3038	100.0	$3061	100.0	$3266	100.0
Current Liabilities:										
Accounts payable	$ 749	27.7	$ 773	27.7%	$ 705	23.2%	$ 570	18.6%	$ 609	18.6%
Deposits	56	2.1	80	2.9	119	3.9	142	4.6	198	5.8
Note payable	87	3.2	83	3.0	103	3.4	83	2.7	193	5.9
Accrued expenses	44	1.6	47	1.7	47	1.5	116	3.8	68	2.1
Total	937	34.7	983	35.2	975	32.1	912	29.8	1068	32.7
Long-Term Liabilities	9	.3	22	.8	37	1.2	13	.4	76	2.3
Shareholder Equity	1755	65.0	1787	64.0	2026	66.7	2136	69.9	2122	65.0
Total Liabilities & Equity	$2701	100.0	$2792	100.0	$3038	100.0	$3061	100.0	$3266	100.0

SOURCE: Company financial statements (unaudited).

ANGELES CHEMICAL CO.

Exhibit C

Selected Ratio Analysis
FY1989-91

FY 4/30:	1991	1990	1989
Liquidity Ratios			
Current (Current Assets divided by Current Liabilities)	2.60	2.37	2.55
Quick (Cash & Accounts Receivable divided by Current Liabilities)	1.64	1.59	1.55
Working Capital ($000)	1503	1344	1511
Sales/Receivables (Sales divided by Accounts Receivable)	7.47	6.66	7.90
Sales/Working Capital (Sales divided by Working Capital)	5.3	6.0	6.0
Cost of Goods Sold/Inventories (Cost of Goods Sold divided by Inventories)	8.1	10.0	9.7
Coverage Ratios			
EBIT/Interest (Earnings before Interest & Tax divided by Interest Expense)	Neg.	Neg.	Neg.
Cash Flow/Maturity LTD (Net Income + Depreciation Expenses divided by Current Portion of Long-Term Debt)	1.32	Neg.	1.05
Leverage Ratios			
Debt/Worth (Total Liabilities divided by Net Worth)	0.54	0.56	0.50
Long-Term Liabilities/Worth (Liabilities over one year divided by Net Worth)	Nom.	Nom.	Nom.
Operating Ratios			
Total Asset Turnover (Sales divided by Average Total Assets)	2.89	2.79	2.95
Return on Equity (Net Income divided by Average Stockholders' Equity)	(2.0%)	(12.5%)	(5.3%)
Return on Assets (Net Income divided by Average Assets)	(1.3%)	(8.2%)	(3.6%)

Neg. = Negative calculation
Nom. = Nominal

SOURCE: Company statements and Bramstedt & Associates.

IV. VALUATION

In arriving at a minority interest fair market value determination for Anchem, Bramstedt & Associates has considered the relevant factors set forth in Revenue Ruling 59-60 with regard to the valuation of closely held companies and in the Department of Labor's (DOL) proposed regulations on "Adequate Consideration" as they relate to the valuation of securities for Employee Stock Ownership Plan purposes. The following comments represent our findings with regard to those specific factors outlined in Revenue Ruling 59-60 and the DOL's proposed regulations on "Adequate Consideration" as they pertain to the valuation of Anchem. The following references to Revenue Ruling 59-60 implicitly include the DOL's proposed regulations.

Book Value

Revenue Ruling 59-60 states that the appraiser should consider book value when valuing a closely held company. Anchem's stated book value was $1,754,934 or $32.46 a share as of April 30, 1991.

Normally, book value or adjusted book value is not afforded much weight or consideration in the valuation of an operating company such as Anchem. Such type companies are normally valued on earnings and/or cash flow capacity. Because of depressed operating results, the appraiser chose to use book value as fair market value for ESOP purposes as of April 30, 1987 and used it as a valuation reference as of April 30, 1988, 1989, 1990 and 1991.

Dividend History, Capacity and Probability

Revenue Ruling 59-60 suggests that the appraiser consider dividends and dividend paying capacity in valuing closely held securities.

The Company has not paid any dividends on its common stock and has no intention of changing this policy at this time. This policy is quite appropriate for a small, private company which is owned by shareholders who neither rely upon nor expect dividend income.

Normally, earnings reinvested in the growth of a company can be expected to earn at a greater return than dividend income invested in other investment opportunities with similar risks and prospects. Consequently, shareholders will ultimately benefit from the current policy to reinvest earnings in the Company's growth rather than to pay cash dividends.

The capacity to declare and pay cash dividends is a positive consideration. The decision not to pay dividends is not a negative consideration.

Comparable Companies--Publicly Traded

Revenue Ruling 59-60 suggests that the appraiser consider the market price of stocks of corporations engaged in the same or a similar line of business having their stock actively traded in a free and open market or over the counter. Bramstedt & Associates has made an exhaustive search for comparable public companies which can be deemed to be similar to Anchem. No single company proved to be a worthy publicly traded comparable. Public companies are generally much larger and more diverse both geographically and in business operations.

Univar Corp., a public company, is the largest U.S. chemical distributor with fiscal 1991 revenues of $1.4 billion. Van Water & Rogers, a Univar division, is a direct Anchem competitor. Univar's net income per share was $1.10 and cash flow (net income plus depreciation) was $1.73 for the fiscal year ended February 28, 1991. Univar's current ratio as of that date was 1.4:1; debt to equity was 0.9:1 and book value was $8.42 per share. Return on sales and equity were 1.4% and 14.8% respectively. As of April 30, 1991, Univar common was trading at $13-5/8 or 1.6X book value, 12.4X earnings, 7.9X cash flow and 19% of revenues. Univar's market capitalization rates may be broadly referenced although Univar is a substantially larger and much more geographic, customer and product diverse company.

Cash Flow and Earnings Capacity

Early ESOP valuations by Charles Stark, PC, appear to rely on conclusions derived from capitalizing five-year average of net income, aftertax cash flow and pretax available cash flow, among other methods. Aftertax cash flow is net income plus depreciation. Available cash flow before taxes is pretax income plus profit share/ESOP contribution plus depreciation. Depreciation in fiscal 1991 and 1990 was $151,000 and $194,000 respectively. Anchem's earnings and cash flow as just defined for fiscal 1991, 1990 and 1989 are shown below:

		Cash Flow	
Period	Net Income	Available	After Tax
F1991	$(36,000)	$131,120	$115,000
F1990	(239,000)	(31,000)	(45,000)
F1989	(110,000)	69,000	101,000

Note: Figures have been rounded.

In the Stark valuation studies, three and five year averages of these profit measures were calculated and capitalized to derive fair market value. Because of the erosion of the Company's earning power, the application of this methodology has not been used recently although in fiscal 1991 cash flow turned slightly positive.

Valuation

Because of insufficient demonstrable earning power and thin cash flow prospects, Bramstedt & Associates and the appraiser once again must look to the balance sheet for valuation purposes as in fiscal 1990 when we employed an adjusted book value approach.

Generally, capitalization of income and cash flow streams is the appropriate methodology for determining the equity fair market value of an operating company such as Anchem. The decision to utilize adjusted book value is based on the factors discussed and the appraiser's experience and knowledge in deriving equity values of closely held companies.

At April 30, 1991, Anchem's stated book value was $1,754,934 and working capital was $1,503,000. Since Anchem has no long-term debt, this working capital basically accrues to the equity holders. (Cash and cash equivalents and receivables alone total $1.54 million. Following the valuation methodology used in recent valuation studies and using a 5% asset liquidation discount, and a 10% discount for restricted marketability, produces an indicated fair market value of $1,500,468, or equal to working capital.

Adjusted Book Value Method
Angeles Chemical Co.
April 30, 1991

Stated Book Value	$1,754,934
Less Liquidation Discount (5%)	87,742
Subtotal	1,667,187
Less Marketability Discount (10%)	166,719
Indicated Fair Market Value	$1,500,468

Since the product of the adjusted book value methodology effectively accords no value to the Company's fixed assets and to business goodwill as a going concern, the appraiser believes this methodology understates the fair market value of the equity ownership of Anchem.

In order to incorporate the economic worth of fixed assets and goodwill, Bramstedt & Associates has marked up the Company's working capital of $1,503,000 by 10% or $150,300 to produce an indicated fair market value for ESOP purposes of the equity ownership of Anchem as of April 30, 1991 of $1,653,300 or $30.60 a share (rounded) on 54,065 shares outstanding. This working capital premium is consistent with that of the three prior years (see page 2).

As of the ESOP plan year which began May 1, 1987, the ESOP Administration Committee changed its policy on paying terminating plan participants in a lump sum to paying participants terminated for reasons other than retirement at age 65 in five annual cash pay-outs commencing on the first anniversary of termination.

Terminated plan participants sell 20% of their stock in each of five years at the fair market value applicable for each year. Accordingly, the above derived value reflects a discount of 10% or the same as applied at April 30, 1990. This marketability discount conceptually reflects the time value of money under the deferred pay-out program now in effect. (Technically, the Company has sufficient cash to buy out the ESOP stock ownership which has an aggregate value of $430,000 on April 30, 1991).

Recent Stock Sale and Valuation

Revenue Ruling 59-60 suggests that arm's-length sales to knowledgeable unrelated third parties in the recent past would be a basis for valuation.

There have been no such recent transactions.

V. CONCLUSIONS

Based on our experience and general knowledge in determining the value of closely held companies and upon the consideration of all factors previously discussed, Bramstedt & Associates is of the opinion that the fair market value of the outstanding common stock of Angeles Chemical Co. for ESOT purposes is $1,653,300 or $30.60 per share as of April 30, 1991 on 54,065 Class A and B shares outstanding. This valuation is based on an adjusted book value approach.

Specific positive factors concerning Anchem were its still solid and long-term debt free balance sheet; best cash position since 1986; a sales and operational stabilization; determination that the Company does not have a material environmental economic exposure; and potential profit and other benefits from the Saramco affiliation.

Unfavorable factors were eight consecutive years of sales and profit decline; losses in fiscal 1989, 1990 and 1991; negative returns on capital and equity; and the hostile operating environment for small chemical processors in heavily populated urban areas such as Los Angeles.

It is important to point out that this evaluation is specifically intended to establish a per-share fair market value for shares to be issued or sold to the ESOT. This report does not specifically address the evaluation of the Company as an entity. The value of the Company as a whole, with the attendant rights to control the direction and growth of the Company, to influence or control compensation and dividends, to change the management, to acquire other companies and/or business operations, to buy companies or new product lines, or to sell or merge the Company, may be greater than the total value implied by this evaluation.

On the other hand, the value of minority interest shares held outside of an ESOT would probably be less than the value determined in this report. An ESOT with a "put" option obligating the Trust to repurchase the shares held by participants provides a valid market for such stock. Minority interest shares held outside of the ESOT would by necessity be discounted by more than 10% taken here for their greater inherent lack of marketability.

This valuation is as of April 30, 1991; and, since it is based upon recent financial statements, it should be valid for the near future. However, it is imperative to recognize that the dynamics of the industries served and general economic conditions can change and invalidate this evaluation. Federal regulations require that the Company's common stock be reevaluated at least annually for ESOT purposes.

APPENDIX I

ARCHER, BULMAHN & CO.
626 SOUTH LAKE AVENUE
PASADENA, CALIFORNIA 91106

TO THE BOARD OF DIRECTORS
ANGELES CHEMICAL COMPANY, INCORPORATED

WE HAVE COMPILED THE ACCOMPANYING BALANCE SHEET OF ANGELES CHEMICAL COMPANY, INCORPORATED AS OF APRIL 30, 1991 AND THE RELATED STATEMENTS OF INCOME AND CASH FLOWS FOR THE YEAR THEN ENDED, IN ACCORDANCE WITH STANDARDS ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS.

A COMPILATION IS LIMITED TO PRESENTING IN THE FORM OF FINANCIAL STATEMENTS INFORMATION THAT IS THE REPRESENTATION OF MANAGEMENT. WE HAVE NOT AUDITED OR PERFORMED A REVIEW SERVICE ON THE ACCOMPANYING FINANCIAL STATEMENTS, AND ACCORDINGLY, DO NOT EXPRESS AN OPINION OR ANY OTHER FORM OF ASSURANCE ON THEM.

MANAGEMENT HAS ELECTED TO OMIT SUBSTANTIALLY ALL OF THE DISCLOSURES REQUIRED BY GENERALLY ACCEPTED ACCOUNTING PRINCIPLES. IF THE OMITTED DISCLOSURES WERE INCLUDED IN THE FINANCIAL STATEMENTS, THEY MIGHT INFLUENCE THE USER'S CONCLUSIONS ABOUT THE COMPANY'S FINANCIAL POSITION, RESULTS OF OPERATIONS, AND CASH FLOWS. ACCORDINGLY, THESE FINANCIAL STATEMENTS ARE NOT DESIGNED FOR THOSE WHO ARE NOT INFORMED ABOUT SUCH MATTERS.

Archer, Bulmahn & Co.

CERTIFIED PUBLIC ACCOUNTANTS

SEPTEMBER 26, 1991

ANGELES CHEMICAL COMPANY, INCORPORATED
BALANCE SHEET
UNAUDITED
APRIL 30, 1991

A S S E T S

CURRENT ASSETS		
PETTY CASH		$ 2,751.90
CASH IN BANK		407,159.50
CASH IN BANK - PAYROLL		449.81
CASH IN BANK -BORTZ		52,864.65
CASH IN BANK - WHITTIER CRED		523.29
CASH IN MONEY MARKET		10,946.01
ACCOUNTS RECEIVABLE	856,937.66	
ALLOW. FOR DOUBTFUL ACCTS.	(8,393.47)	
NET ACCOUNTS RECEIVABLE		848,544.19
ACCTS. REC. - STALLION		86,673.83
ACCTS. REC. - OTHER NON-OPERATING		43,632.45
ACCTS. REC. - SAMSON		84,669.22
EMPLOYEE ADVANCES		3,575.00
INVENTORY - CHEMICALS		388,369.03
INVENTORY -PACKAGING		72,611.66
INVENTORY -PKG.-BORTZ		266,973.81
INVENTORY -GASOLINE		10,345.84
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PREPAID PROPERTY TAX		1,880.63
PREPAID INSURANCE		131,743.71
PREPAID AUTO INSURANCE		475.00
PREPAID PACKAGING		20,030.41
TOTAL CURRENT ASSETS		2,440,136.49
FIXED ASSETS		
OFFICE TRAILER	97,811.43	
TRUCKS & AUTOS	219,335.36	
TANKS & PLANT EQUIPMENT	688,255.48	
FURNITURE & FIXTURES	207,061.21	
PLANT	351,755.97	
DRUMS	104,148.00	
TOTAL FIXED ASSETS	1,668,367.45	
LESS: ACCUMULATED DEPRECIATION	(1,419,529.91)	
NET FIXED ASSETS		248,837.54
OTHER ASSETS		
INVESTMENT IN SAMSON	11,684.80	
TOTAL OTHER ASSETS		11,684.80
TOTAL ASSETS		$ 2,700,658.83

SEE ACCOUNTANTS' COMPILATION REPORT

ANGELES CHEMICAL COMPANY, INCORPORATED
BALANCE SHEET
UNAUDITED
APRIL 30, 1991

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
NOTES PAYABLE	$ 87,515.32	
ACCOUNTS PAYABLE	749,175.68	
OTHER ACCRUED LIABILITIES	9,527.52	
ACCRUED PAYROLL	15,050.69	
ACCRUED COMMISSIONS	11,323.07	
ACCRUED WORKMANS COMP.INS.	1,589.54	
SALES TAX PAYABLE	4,528.45	
DRUM DEPOSITS	134,762.50	
DRUM DEPOSITS - RECEIVED	(78,556.36)	
EMPLOYEE BENEFIT & WELFARE	(51.62)	
OTHER NON-OPERATING LIABILITIES	1,785.00	
TOTAL CURRENT LIABILITIES		936,649.79
LONG-TERM LIABILITIES		
NOTE PAYABLE		9,075.39
TOTAL LIABILITIES		945,725.18
STOCKHOLDERS' EQUITY		
COMMON STOCK - $.10 PAR VALUE, 1,000,000 SHS. AUTHORIZED, 54,065 SHS. ISSUED & OUTSTANDING		5,406.50
PAID IN CAPITAL		105,723.80
RETAINED EARNINGS - BEGINNING	$ 1,675,472.64	
REFUND OF PRIOR YEAR TAX	4,643.00	
NET INCOME OR (LOSS)	(36,312.29)	
RETAINED EARNINGS		1,643,803.35
TOTAL STOCKHOLDERS' EQUITY		1,754,933.65
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		$ 2,700,658.83

SEE ACCOUNTANTS' COMPILATION REPORT

ANGELES CHEMICAL COMPANY, INCORPORATED
STATEMENT OF INCOME
UNAUDITED
FOR THE TWELVE MONTHS ENDED APRIL 30, 1991

	YEAR TO DATE	%
SALES	$ 7,943,899.06	100.00
COST OF SALES	5,960,428.36	75.03
GROSS PROFIT	1,983,470.70	24.97
OPERATING EXPENSES		
ADMINISTRATIVE SALARIES	82,851.95	1.04
OFFICE WAGES	49,949.27	0.63
SALES WAGES	76,341.07	0.96
DIRECT WAGES	274,257.48	3.45
INDIRECT WAGES	27,242.07	0.34
PAYROLL TAXES	44,298.81	0.56
WORKMANS COMP. INSURANCE	41,684.01	0.52
GROUP INSURANCE	93,255.01	1.17
OUTSIDE LABOR	104,786.13	1.32
ADVERTISING	16,271.51	0.20
AUTO & TRAVEL	44,315.32	0.56
BAD DEBTS	5,917.06	0.07
COMPUTER EXPENSE	9,613.22	0.12
DIRECTORS FEES	(4,500.00)	(0.06)
DRUM MAINTENANCE	110,598.85	1.39
DUES & SUBSCRIPTIONS	5,435.12	0.07
EMPLOYEE WELFARE	8,614.00	0.11
EQUIPMENT RENTAL	1,956.75	0.02
FREIGHT-IN	75,610.14	0.95
FREIGHT OUT	33,371.79	0.42
CASUALTY INSURANCE	89,671.95	1.13
LAB EXPENSE	4,653.48	0.06
MISCELLANEOUS	2.43	0.00
OFFICE SUPPLIES	9,748.04	0.12
PRINTING PREP. EXPENSE	18,542.58	0.23
PLANT EXPENSE	73,122.13	0.92
POSTAGE	5,505.72	0.07
PROFESSIONAL SERVICES	67,630.75	0.85
PROFIT SHARING EXPENSE	15,248.24	0.19
RENT	137,400.00	1.73
REPAIRS & MAINTENANCE	32,534.35	0.41
SALES PROM. TRAVEL	14,216.99	0.18
BUSINESS PROMOTION	20,552.24	0.26
TANK TESTING EXPENSE	22,820.84	0.29
TAXES & LICENSES	30,479.24	0.38
TELEPHONE	23,071.80	0.29
TRUCK EXPENSE	136,939.25	1.72
UTILITIES	18,016.78	0.23
COMMISSIONS -BORTZ	121,848.18	1.53
DEPRECIATION	151,383.83	1.91
TOTAL OPERATING EXPENSES	$ 2,095,258.38	26.38

SEE ACCOUNTANTS' COMPILATION REPORT

ANGELES CHEMICAL COMPANY, INCORPORATED
STATEMENT OF INCOME
UNAUDITED
FOR THE TWELVE MONTHS ENDED APRIL 30, 1991

	YEAR TO DATE	%
OPERATING LOSS	$ (111,787.68)	(1.41)
OTHER INCOME OR (EXPENSE)		
DISCOUNTS EARNED	168.71	0.00
DEMURRAGE	75.00	0.00
INTEREST INCOME	18,879.12	0.24
INCOME SPLIT-SAMSON	11,684.80	0.15
SALARY REIMBURSEMENT	319.04	0.00
MISCELLANEOUS INCOME	10.01	0.00
PAILS	1,035.09	0.01
TERMINALING CHARGES	23,861.92	0.30
INTEREST EXPENSE	(22,038.61)	(0.28)
GAIN (LOSS)-SALE OF ASSETS	42,280.31	0.53
TOTAL OTHER INCOME (EXPENSE)	76,275.39	0.96
LOSS BEFORE INCOME TAXES	(35,512.29)	(0.45)
PROVISION FOR INCOME TAXES	(800.00)	(0.01)
NET LOSS	$ (36,312.29)	(0.46)

SEE ACCOUNTANTS' COMPILATION REPORT

ANGELES CHEMICAL COMPANY, INCORPORATED
STATEMENT OF INCOME DETAIL
UNAUDITED
FOR THE TWELVE MONTHS ENDED APRIL 30, 1991

	YEAR TO DATE	%
SOLVENTS -SALES	$ 3,867,170.99	100.19
RETURNS & ALLOWANCES	(7,332.45)	(0.19)
TOTAL SALES	3,859,838.54	100.00
COST OF SALES	3,231,667.52	83.73
GROSS PROFIT	628,171.02	16.27
PACKAGING -SALES	903,942.16	101.30
RETURNS & ALLOWANCES	(11,638.00)	(1.30)
TOTAL SALES	892,304.16	100.00
COST OF SALES	728,450.92	81.64
GROSS PROFIT	163,853.24	18.36
BORTZ -SALES	3,209,916.99	100.57
RETURNS & ALLOWANCES	(15,158.13)	(0.47)
SALES DISCOUNTS	(3,002.50)	(0.09)
TOTAL SALES	3,191,756.36	100.00
COST OF SALES	2,000,309.92	62.67
GROSS PROFIT	1,191,446.44	37.33
TOTAL GROSS PROFIT	$ 1,983,470.70	24.97

SEE ACCOUNTANTS' COMPILATION REPORT

ANGELES CHEMICAL COMPANY, INCORPORATED
STATEMENT OF CASH FLOWS
UNAUDITED
FOR THE TWELVE MONTHS ENDED APRIL 30, 1991

CASH FLOWS FROM OPERATING ACTIVITIES:		
NET LOSS		$ (36,312.29)
ADJUSTMENTS TO RECONCILE NET LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES:		
DEPRECIATION	$ 151,383.83	
EQUITY IN INCOME OF AFFILIATE	(11,684.80)	
(GAIN) LOSS ON SALE OF ASSETS	(42,280.31)	
REFUND OF PRIOR YEAR TAX	4,643.00	
CHANGE IN ASSETS AND LIABILITIES		
DECREASE IN ACCOUNTS RECEIVABLE	183,071.54	
INCREASE IN INVENTORY	(120,435.39)	
INCREASE IN PREPAID EXPENSES	(14,780.85)	
DECREASE IN ACCOUNTS PAYABLE	(23,928.90)	
DECREASE IN ACCRUED EXPENSES	(4,638.38)	
INCREASE IN CUSTOMER DEPOSITS	54,762.50	
TOTAL ADJUSTMENTS		176,112.24
NET CASH PROVIDED BY OPERATING ACTIVITIES		139,799.95
CASH FLOWS FROM INVESTING ACTIVITIES:		
LOANS ADVANCED	(116,999.00)	
COLLECTION OF LOAN ADVANCES	88,994.92	
CAPITAL EXPENDITURES	(36,576.86)	
PROCEEDS FROM SALE OF ASSETS	67,447.31	
NET CASH PROVIDED BY INVESTING ACTIVITIES		2,866.37
CASH FLOWS FROM FINANCING ACTIVITIES:		
PROCEEDS FROM LOANS	128,145.20	
PRINCIPAL PAYMENTS ON LOANS	(137,240.44)	
NET CASH USED BY FINANCING ACTIVITIES		(9,095.24)
NET INCREASE IN CASH		133,571.08
CASH AT BEGINNING OF PERIOD		341,124.08
CASH AT END OF PERIOD		$ 474,695.16

SEE ACCOUNTANTS' COMPILATION REPORT

APPENDIX II

B R A M S T E D T

and Associates Incorporated

Financial Consulting

Business Valuations

Financial Analysis

Qualifications of
Bramstedt & Associates, Inc.

Eric M. Bramstedt, CFA, has over 30 years experience in the field of financial analysis, equity evaluations, securities analysis and investment banking. He has prepared well over 300 business valuations on closely held companies for merger and acquisition, gift and estate taxes, Employee Stock Ownership Plans (ESOPs), incentive stock option plans and others. These valuations have covered a broad industry scope of closely held and public companies including several Fortune 1000 listings. Mr. Bramstedt possesses in-depth knowledge of ESOP functions and valuation through ten years of extensive experience with three leading ESOP design and valuation firms--Menke & Associates, Kelso & Co. and Houlihan, Lokey, Howard & Zukin.

Mr. Bramstedt is an industry specialist in transportation, particularly trucking. As such, he has investigated the operations and appraised the business values of several hundred motor carriers, many of which are located in California. Clients have included major domestic and international transportation companies for acquisition and investment banking and other applications. Mr. Bramstedt is Director of the PCTB Consulting Group, a division of the Pacific Coast Tariff Bureau of San Francisco. As such, he is editor of CAL-TIPS, an annual operating and financial study of the California less-than-truckload business.

Mr. Bramstedt is a Chartered Financial Analyst (CFA) and a member of the Institute of Chartered Financial Analysts, the Association for Investment Management and Research, the Transportation Research Forum, the Valuation Roundtable of San Francisco, and the Pacific Coast Accounting and Finance Council. He holds a Bachelor's Degree in Economics from Stanford University. He has written articles for industry periodicals and made public speaking appearances on transportation topics, and has appeared as an expert witness before the California Public Utilities Commission.

2402 Vista Del Mar Lane Tiburon, CA 94920-1208 Tel 415-435-9438 Fax 415-435-9438

114 Sansome St., Suite 808 San Francisco, CA 94104-3818 Tel 415-362-9900 Fax 415-362-6492

October 4, 1991

Mr. Eric Bramstedt
Menke & Associates
114 Samsome Suite 1000
San Francisco, CA 94104-3821

Dear Mr. Bramstedt:

Enclosed are Angeles' 1991 year-end financial statements for your review in valuing the company's stock. I have also enclosed our most recent internal statements for the four months ended August 31, 1991.

Angeles' revenues have increased because of our new association with Saramco which I mentioned in our recent phone conversation. I feel this has an impact on your valuation and therefore have included the YTD financials and will discuss the association with you further when we meet.

I have not received an estimate of your fees for this engagement and would like to come to an agreement regarding these before we begin. 52700-92 No F.U.

I look forward to hearing from you soon. The best time to reach me by phone is on Tuesdays or by leaving a message to call back. John will be unavailable until October 21.

Sincerely,

Tim Mahoney

Tim Mahoney
Controller

30,000

ANGELES CHEMICAL CO., INC.
8915 Sorensen Avenue • P.O. Box 2163 • Santa Fe Springs, California 90670
Telephone (213) 945-3911 • (213) 685-4386 (L.A.) • (714) 521-7660
FAX-310-698-7571

BR000312

ANGELES CHEMICAL CO.

Exhibit 5

Comparative Balance Sheet
198[illegible]-9[illegible]
(000)

7

1,134
- 159 [illegible]

As of 4/30:	1991		1990		1989		1988		1987	
Current Assets:										
Cash and liquid investments	$475	17.6%	$ 341	12.2%	$ 371	12.2%	$ 243	7.9%	$ 202	6.2%
Accounts receivable	1,063	39.4	1221	43.7	1139	37.5	1222	39.9	1323	40.5
Inventories	738	27.3	618	22.1	719	23.7	773	25.3	794	24.3
Prepaid expenses/other	164	6.1	147	5.3	257	8.5	184	6.0	206	6.3
Total	2440	90.4	2327	83.3	2486	81.8	2422	79.1	2526	77.3
Fixed Assets at Cost	1218		1831		1844		1724		1601	
Accumulated Depreciation	([illegible])		(1366)		(1292)		(1101)		(868)	
Net Fixed Assets	240	9.-	465	16.6	552	18.2	623	20.4	733	22.4
Other Assets	12	.4	--		--		17	.5	8	.2
Total Assets	$2701	100.0	$2792	100.0	$3038	100.0	$3061	100.0	$3266	100.0
Current Liabilities:										
Accounts payable	$749	27.7%	$ 773	27.7%	$ 705	23.2%	$ 570	18.6%	$ 609	18.6%
Deposits	56	2.1	80	2.9	119	3.9	142	4.6	190	5.8
Note payable	87	3.2	83	3.0	103	3.4	83	2.7	193	5.9
Accrued expenses	44	1.6	47	1.7	47	1.5	116	3.8	68	2.1
~~Income tax payable~~			--		--		--		--	
Total	937	34.7	983	35.2	975	32.1	912	29.8	1068	32.7
Long-Term Liabilities	9	.3	22	.8	37	1.2	13	.4	76	2.3
Shareholder Equity	1755	65.0	1787	64.0	2026	66.7	2136	69.9	2122	65.0
Total Liabilities & Equity	$2701	100.0%	$2792	100.0	$3038	100.0	$3061	100.0	$3266	100.0

SOURCE: Company financial statements (unaudited).

BR000313

ANGELES CHEMICAL CO.

Exhibit A

Comparative Income Statement, FY1987-1990
($000)

	FYE 4/30:	1991		1990		1989		1988		1987	
-2.4%	Net Sales	$7944	100.0%	$8139	100.0%	$9003	100.0%	$9442	100.0%	$10521	100.0
2397-3.4%	Cost of Sales	5960	75.0	6199	76.2	6945	77.1	7040	74.6	7787	74.0
12.3%	Gross Profit	1982	25.0	1939	23.8	2057	22.9	2402	25.4	2734	26.0
+92K	Operating Expenses	2095	26.4	2187	26.9	2203	24.5	2497	26.4	2640	25.1
4.3%	Operating Income	(112)	(1.4)	(248)	(3.0)	(146)	(1.6)	(95)	(1.0)	94	.9
	Other Income	98	1.2	56	.7	105	1.2	189	2.0	73	.7
	Other Expenses(Net)	(22)	.3	(47)	(.6)	(112)	(1.2)	(123)	(1.3)	(88)	(.8
	Pretax Income (Loss)	(36)	(.5)	(239)	(2.9)	(152)	(1.7)	(29)	(.3)	79	.8
	Provision for Taxes	(1)	—	—		42	.5	43	.5	(12)	(.1
	Net Income	$(36)	(.5)	$(239)	(2.9)	$(110)	(1.2)	$ 14	.1	$ 67	.6

SOURCE: Company financial statements (unaudited).

BR000314

Exhibit C (Cont.)

	FY 4/30: '90	1990	1989	1988
<u>Leverage Ratios</u>				
Debt/Worth (Total Liabilities divided by Net Worth)	0.54	0.56	0.50	0.43
Long-Term Liabilities/Worth (Liabilities over one year divided by Net Worth)	Nom.	Nom.	Nom.	Nom.
<u>Operating Ratios</u>				
Percent Profit before Taxes/Net Worth (Pretax Profit divided by Assets less Liabilities)	Neg.	Neg.	Neg.	Neg.
Total Asset Turnover (Sales divided by Average Total Assets)	2.89	2.79	2.95	2.98
Return on Equity (Net Income divided by Average Stockholders' Equity)	(2.0%)	(12.5%) ~~Neg.~~	(5.3%) Neg.	Nom.
Return on Assets (Net Income divided by Average ~~Stockholders' Equity~~ Assets)	(1.3%)	(8.2%) ~~Neg.~~	(3.6%) ~~Neg.~~	Nom.

Neg. = Negative calculation
Nom. = Nominal

SOURCE: Company statements and Bramstedt Associates.

ANGELES CHEMICAL CO.

Exhibit C

Selected Ratio Analysis
FY1988-90
9

	FY 4/30: 1991	1990	1989	1988
Liquidity Ratios				
Current (Current Assets divided by Current Liabilities)	2.60	2.37	2.55	2.65
Quick (Cash & Accounts Receivable divided by Current Liabilities)	1.64	1.59	1.55	1.61
Working Capital ($000)	1,503	1344	1511	1509
Sales/Receivables (Sales divided by Accounts Receivable)	7.47	6.66	7.90	7.73
Sales/Working Capital (Sales divided by Working Capital)	5.3	6.0	6.0	6.3
Cost of Goods Sold/Inventories (Cost of Goods Sold divided by Inventories)	8.1	10.0	9.7	9.1
Coverage Ratios				
EBIT/Interest (Earnings before Interest & Tax divided by Interest Expense)	Neg	Neg.	Neg.	Neg.
Cash Flow/Maturity LTD (Net Income + Depreciation Expenses divided by Current Portion of Long-Term Debt)	1.32	Neg.	1.05	2.5

BR000316

REPORT OF

ANGELES CHEMICAL CO., INC.

APRIL 30, 1991

ARCHER, BULMAHN & CO.

CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF

ANGELES CHEMICAL CO., INC.

APRIL 30, 1991

ARCHER, BULMAHN & CO.
626 SOUTH LAKE AVENUE
PASADENA, CALIFORNIA 9110

TO THE BOARD OF DIRECTORS
ANGELES CHEMICAL COMPANY, INCORPORATED

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Archer, Bulmahn & Co.

CERTIFIED PUBLIC ACCOUNTANTS

SEPTEMBER 26, 1991

ANGELES CHEMICAL COMPANY, INCORPORATED
BALANCE SHEET
UNAUDITED
APRIL 30, 1991

A S S E T S

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OFFICE TRAILER	97,811.43	
TRUCKS & AUTOS	219,335.36	
TANKS & PLANT EQUIPMENT	688,255.48	
FURNITURE & FIXTURES	207,061.21	
PLANT	351,755.97	
DRUMS	104,148.00	
TOTAL FIXED ASSETS	1,668,367.45	
LESS: ACCUMULATED DEPRECIATION	(1,419,529.91)	
NET FIXED ASSETS		248,837.54
OTHER ASSETS		
INVESTMENT IN SAMSON	11,684.80	
TOTAL OTHER ASSETS		11,684.80
TOTAL ASSETS		$ 2,700,658.83

SEE ACCOUNTANTS' COMPILATION REPORT

ANGELES CHEMICAL COMPANY, INCORPORATED
BALANCE SHEET
UNAUDITED
APRIL 30, 1991

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
NOTES PAYABLE	$ 87,515.32	
ACCOUNTS PAYABLE	749,175.68	
OTHER ACCRUED LIABILITIES	9,527.52	
ACCRUED PAYROLL	15,050.69	
ACCRUED COMMISSIONS	11,323.07	
ACCRUED WORKMANS COMP.INS.	1,589.54	
SALES TAX PAYABLE	4,528.45	
DRUM DEPOSITS	134,762.50	
DRUM DEPOSITS - RECEIVED	(78,556.36)	
EMPLOYEE BENEFIT & WELFARE	(51.62)	
OTHER NON-OPERATING LIABILITIES	1,785.00	
TOTAL CURRENT LIABILITIES		936,649.79
LONG-TERM LIABILITIES		
NOTE PAYABLE		9,075.39
TOTAL LIABILITIES		945,725.18
STOCKHOLDERS' EQUITY		
COMMON STOCK - $.10 PAR VALUE, 1,000,000 SHS. AUTHORIZED, 54,065 SHS. ISSUED & OUTSTANDING		5,406.50
PAID IN CAPITAL		105,723.80
RETAINED EARNINGS - BEGINNING	$ 1,675,472.64	
REFUND OF PRIOR YEAR TAX	4,643.00	
NET INCOME OR (LOSS)	(36,312.29)	
RETAINED EARNINGS		1,643,803.35
TOTAL STOCKHOLDERS' EQUITY		1,754,933.65
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		$ 2,700,658.83

SEE ACCOUNTANTS' COMPILATION REPORT

ANGELES CHEMICAL COMPANY, INCORPORATED
STATEMENT OF INCOME
UNAUDITED
FOR THE TWELVE MONTHS ENDED APRIL 30, 1991

	YEAR TO DATE	%
SALES	$ 7,943,899.06	100.00
COST OF SALES	5,960,428.36	75.03
GROSS PROFIT	1,983,470.70	24.97
OPERATING EXPENSES		
ADMINISTRATIVE SALARIES	82,851.95	1.04
OFFICE WAGES	49,949.27	0.63
SALES WAGES	76,341.07	0.96
DIRECT WAGES	274,257.48	3.45
INDIRECT WAGES	27,242.07	0.34
PAYROLL TAXES	44,298.81	0.56
WORKMANS COMP. INSURANCE	41,684.01	0.52
GROUP INSURANCE	93,255.01	1.17
OUTSIDE LABOR	104,786.13	1.32
ADVERTISING	16,271.51	0.20
AUTO & TRAVEL	44,315.32	0.56
BAD DEBTS	5,917.06	0.07
COMPUTER EXPENSE	9,613.22	0.12
DIRECTORS FEES	(4,500.00)	(0.06)
DRUM MAINTENANCE	110,598.85	1.39
DUES & SUBSCRIPTIONS	5,435.12	0.07
EMPLOYEE WELFARE	8,614.00	0.11
EQUIPMENT RENTAL	1,956.75	0.02
FREIGHT-IN	75,610.14	0.95
FREIGHT OUT	33,371.79	0.42
CASUALTY INSURANCE	89,671.95	1.13
LAB EXPENSE	4,653.48	0.06
MISCELLANEOUS	2.43	0.00
OFFICE SUPPLIES	9,748.04	0.12
PRINTING PREP. EXPENSE	18,542.58	0.23
PLANT EXPENSE	73,122.13	0.92
POSTAGE	5,505.72	0.07
PROFESSIONAL SERVICES	67,630.75	0.85
PROFIT SHARING EXPENSE	15,248.24	0.19
RENT	137,400.00	1.73
REPAIRS & MAINTENANCE	32,534.35	0.41
SALES PROM. TRAVEL	14,216.99	0.18
BUSINESS PROMOTION	20,552.24	0.26
TANK TESTING EXPENSE	22,820.84	0.29
TAXES & LICENSES	30,479.24	0.38
TELEPHONE	23,071.80	0.29
TRUCK EXPENSE	136,939.25	1.72
UTILITIES	18,016.78	0.23
COMMISSIONS -BORTZ	121,848.18	1.53
DEPRECIATION	151,383.83	1.91
TOTAL OPERATING EXPENSES	$ 2,095,258.38	26.38

SEE ACCOUNTANTS' COMPILATION REPORT

ANGELES CHEMICAL COMPANY, INCORPORATED
STATEMENT OF INCOME
UNAUDITED
FOR THE TWELVE MONTHS ENDED APRIL 30, 1991

	YEAR TO DATE	%
OPERATING LOSS	$ (111,787.68)	(1.41)
OTHER INCOME OR (EXPENSE)		
DISCOUNTS EARNED	168.71	0.00
DEMURRAGE	75.00	0.00
INTEREST INCOME	18,879.12	0.24
INCOME SPLIT-SAMSON	11,684.80	0.15
SALARY REIMBURSEMENT	319.04	0.00
MISCELLANEOUS INCOME	10.01	0.00
PAILS	1,035.09	0.01
TERMINALING CHARGES	23,861.92	0.30
INTEREST EXPENSE	(22,038.61)	(0.28)
GAIN (LOSS)-SALE OF ASSETS	42,280.31	0.53
TOTAL OTHER INCOME (EXPENSE)	76,275.39	0.96
LOSS BEFORE INCOME TAXES	(35,512.29)	(0.45)
PROVISION FOR INCOME TAXES	(800.00)	(0.01)
NET LOSS	$ (36,312.29)	(0.46)

SEE ACCOUNTANTS' COMPILATION REPORT

ANGELES CHEMICAL COMPANY, INCORPORATED
STATEMENT OF INCOME DETAIL
UNAUDITED
FOR THE TWELVE MONTHS ENDED APRIL 30, 1991

	YEAR TO DATE	%
SOLVENTS -SALES	$ 3,867,170.99	100.19
RETURNS & ALLOWANCES	(7,332.45)	(0.19)
TOTAL SALES	3,859,838.54	100.00
COST OF SALES	3,231,667.52	83.73
GROSS PROFIT	628,171.02	16.27
PACKAGING -SALES	903,942.16	101.30
RETURNS & ALLOWANCES	(11,638.00)	(1.30)
TOTAL SALES	892,304.16	100.00
COST OF SALES	728,450.92	81.64
GROSS PROFIT	163,853.24	18.36
BORTZ -SALES	3,209,916.99	100.57
RETURNS & ALLOWANCES	(15,158.13)	(0.47)
SALES DISCOUNTS	(3,002.50)	(0.09)
TOTAL SALES	3,191,756.36	100.00
COST OF SALES	2,000,309.92	62.67
GROSS PROFIT	1,191,446.44	37.33
TOTAL GROSS PROFIT	$ 1,983,470.70	24.97

SEE ACCOUNTANTS' COMPILATION REPORT

ANGELES CHEMICAL COMPANY, INCORPORATED
STATEMENT OF CASH FLOWS
UNAUDITED
FOR THE TWELVE MONTHS ENDED APRIL 30, 1991

CASH FLOWS FROM OPERATING ACTIVITIES:		
NET LOSS		$ (36,312.29)
ADJUSTMENTS TO RECONCILE NET LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES:		
DEPRECIATION	$ 151,383.83	
EQUITY IN INCOME OF AFFILIATE	(11,684.80)	
(GAIN) LOSS ON SALE OF ASSETS	(42,280.31)	
REFUND OF PRIOR YEAR TAX	4,643.00	
CHANGE IN ASSETS AND LIABILITIES		
DECREASE IN ACCOUNTS RECEIVABLE	183,071.54	
INCREASE IN INVENTORY	(120,435.39)	
INCREASE IN PREPAID EXPENSES	(14,780.85)	
DECREASE IN ACCOUNTS PAYABLE	(23,928.90)	
DECREASE IN ACCRUED EXPENSES	(4,638.38)	
INCREASE IN CUSTOMER DEPOSITS	54,762.50	
TOTAL ADJUSTMENTS		176,112.24
NET CASH PROVIDED BY OPERATING ACTIVITIES		139,799.95
CASH FLOWS FROM INVESTING ACTIVITIES:		
LOANS ADVANCED	(116,999.00)	
COLLECTION OF LOAN ADVANCES	88,994.92	
CAPITAL EXPENDITURES	(36,576.86)	
PROCEEDS FROM SALE OF ASSETS	67,447.31	
NET CASH PROVIDED BY INVESTING ACTIVITIES		2,866.37
CASH FLOWS FROM FINANCING ACTIVITIES:		
PROCEEDS FROM LOANS	128,145.20	
PRINCIPAL PAYMENTS ON LOANS	(137,240.44)	
NET CASH USED BY FINANCING ACTIVITIES		(9,095.24)
NET INCREASE IN CASH		133,571.08
CASH AT BEGINNING OF PERIOD		341,124.08
CASH AT END OF PERIOD		$ 474,695.16

SEE ACCOUNTANTS' COMPILATION REPORT

Sansome Street Appraisers, Inc.

Mendham, New Jersey

112 Sansome Street, Suite 808
San Francisco, California 94104-3818
(415) 362-9900
Fax (415) 362-6492

November 18, 1991

PERSONAL AND CONFIDENTIAL

Mr. Tim Mahoney
Angeles Chemical Co.
P.O. Box 2163
Santa Fe Springs, California 90670

Dear Tim:

Enclosed are three copies of the Anchem ESOP valuation study for April 30, 1991 and our invoice for $2,750, the same fee as last year.

Sincerely yours,

Eric M. Bramstedt

EMB:ew
enclosures

1:00PM

Samson Chemical Joint Venture and Sale Agreement

Benefits
1) Economies of scale
2) Broader product line - supply
3 " customer list / cross sell NO [illegible]
4) " supplies
5) Certain back-up for Locke
6) Anchem shows profit but no loss shown

at no cost services
Warehouse space for inventory
Std office services
Accounts
Invoices
Bus. Report
[illegible]
Insurance

ANGELES CHEMICAL COMPANY, INCORPORATED
STATEMENT OF INCOME
UNAUDITED
FOR THE TWELVE MONTHS ENDED APRIL 30, 1991

	1990	1991 ~~YEAR TO DATE~~	%
SALES	8,138,980	$ 7,943,899.06	100.00
COST OF SALES	6,199,547	5,960,428.36	75.03
GROSS PROFIT	1,939,433	1,983,470.70	24.97
OPERATING EXPENSES			
ADMINISTRATIVE SALARIES	176,170	82,851.95	1.04
OFFICE WAGES	71,934	49,949.27	0.63
SALES WAGES	58,598	76,341.07	0.96
DIRECT WAGES	362,800	274,257.48	3.45
INDIRECT WAGES	26,013	27,242.07	0.34
PAYROLL TAXES	52,671	44,298.81	0.56
WORKMANS COMP. INSURANCE	29,104	41,684.01	0.52
GROUP INSURANCE	83,542	93,255.01	1.17
OUTSIDE LABOR (Packaging)	61,040	104,786.13	1.32
ADVERTISING	10,864	16,271.51	0.20
AUTO & TRAVEL	53,304	44,315.32	0.56
BAD DEBTS		5,917.06	0.07
COMPUTER EXPENSE		9,613.22	0.12
DIRECTORS FEES	9,000	(4,500.00) ?	(0.06)
DRUM MAINTENANCE	120,562	110,598.85	1.39
DUES & SUBSCRIPTIONS		5,435.12	0.07
EMPLOYEE WELFARE		8,614.00	0.11
EQUIPMENT RENTAL	74,074	1,956.75	0.02
FREIGHT-IN		75,610.14	0.95
FREIGHT OUT	78,002	33,371.79	0.42
CASUALTY INSURANCE		89,671.95	1.13
LAB EXPENSE		4,653.48	0.06
MISCELLANEOUS		2.43	0.00
OFFICE SUPPLIES		9,748.04	0.12
PRINTING PREP. EXPENSE		18,542.58	0.23
PLANT EXPENSE	46,599	73,122.13	0.92
POSTAGE		5,505.72	0.07
Tim PROFESSIONAL SERVICES	52,965	67,630.75	0.85
PROFIT SHARING EXPENSE		15,248.24	0.19
RENT	132,900	137,400.00	1.73
REPAIRS & MAINTENANCE		32,534.35	0.41
SALES PROM. TRAVEL		14,216.99	0.18
BUSINESS PROMOTION		20,552.24	0.26
TANK TESTING EXPENSE - SCS	18,725	22,820.84	0.29
TAXES & LICENSES	17,971	30,479.24	0.38
TELEPHONE		23,071.80	0.29
TRUCK EXPENSE	129,418	136,939.25	1.72
UTILITIES		~~18,016.78~~	0.23
COMMISSIONS -BORTZ	93,597	121,848.18	1.53
DEPRECIATION	194,594	151,383.83	1.91
TOTAL OPERATING EXPENSES	2,187,254	$ 2,095,258.38	26.38

SEE ACCOUNTANTS' COMPILATION REPORT

Univar Corp.

2370

NYSE Symbol UVX

Price	Range	P–E Ratio	Dividend	Yield	S&P Ranking	Beta
Jul. 5'91	1991					
12 7/8	17 5/8–10	15	0.30	2.3%	B	1.38

Summary

Univar distributes a broad range of industrial chemicals and related products. Operations were expanded significantly with the late 1986 acquisition of McKesson Chemical Co., which made UVX the largest industrial chemical distributor in North America. Soft economic conditions and increased operating costs led to lower earnings in fiscal 1990-91. The economic slowdown continued to negatively affect prices and margins in 1991-92's first quarter. Pakhoed Holding, N.V. owns about 31% of the shares.

Business Summary

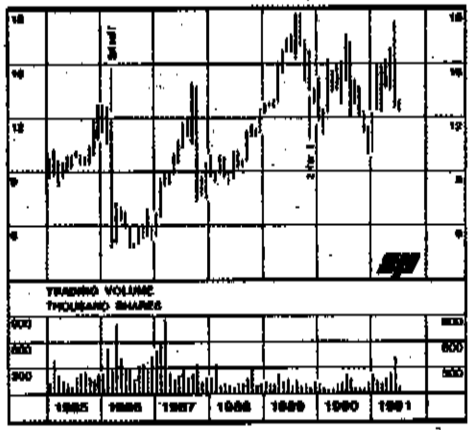
Univar is engaged in the wholesale distribution of a broad range of industrial chemicals and related products. The November 1986 acquisition of McKesson Chemical Co., a distributor of industrial chemicals with annual sales of some $600 million, made UVX the largest industrial chemical distributor in North America.

Foreign sales (all in Canada) accounted for 14% of total sales in fiscal 1990-91.

Products distributed by the company are used in many areas, including public health and safety (water treatment, sewage treatment, and ice, dust, and rodent control); the petroleum industry (oil and gas drilling, petroleum refining, natural gas processing, and petrochemical production); paints and coatings (paint ingredients, solvents, and oils); pest control (insecticides, rodenticides, fumigants, herbicides, and fungicides); the food industry (food production, processing and packing); metal-extraction, processing, and finishing (mining, milling, refining, plating & finishing, and electronics); textile maintenance (laundry and dry cleaning products); and wood pulp and paper (forestry, pulp and paper manufacturing, and water treatment).

UVX's operations are conducted through two subsidiaries: Van Waters & Rogers, Inc., which handles all U.S. distribution activities, was formed following the merger of McKesson and the company's Van Waters & Rogers division; Canadian operations are conducted through the Van Waters & Rogers, Ltd. unit. In September 1989 UVX acquired Hamblet & Hayes Co., a chemical distributor in New England with sales of $30 million, and the pest control supply business of Harcos Chemicals Inc., with sales of about $8 million.

In March 1988 UVX formed ChemCare which offers clients logistics management, temporary storage and access to various treatment and disposable technologies for waste or spent chemicals.



UVX operates from 140 facilities; 119 in the U. S. and 21 in Canada, with a total of about 4.3 million square feet of combined office and warehouse space, of which 3.1 million is owned and the remainder leased.

Important Developments

Jun. '91— UVX announced the acquisition of Beijer Industrial Distribution Group from Kongsbo Industrier (Sweden), although final approval to acquire Beijer's Switzerland operations is still pending. Beijer also operates in the U.K., Scandinavia and Italy, and had 1990 sales of about $380 million. UVX will own 51% of Beijer, with most of the balance controlled by Pakhoed Holding, N.V. UVX's initial investment in Beijer, including the Swiss operations, will be about $25 million.

Next earnings report expected in late September.

Per Share Data ($)

Yr. End Feb. 28	1991	1990	1989	[1]1988	[1]1987	1986	1985	1984	1983	1982
Tangible Bk. Val.	8.42	7.53	6.57	5.54	4.90	4.02	[3]8.55	[3]9.21	[3]8.79	[3]8.67
Cash Flow	1.90	2.03	1.92	1.42	0.67	0.81	1.97	1.14	1.54	2.43
Earnings[2]	1.10	1.22	1.13	0.64	0.06	0.38	1.43	0.67	0.46	1.61
Dividends	0.30	0.30	0.20	0.10	0.10	0.40	0.34	0.34	0.34	0.34
Payout Ratio	27%	24%	17%	16%	182%	105%	24%	51%	74%	20%
Calendar Years	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981
Prices—High	16 5/8	17 7/8	12 1/2	14	12 3/4	12 3/4	13 1/2	13 3/4	13 7/8	17 1/2
Low	9 7/8	12 1/4	8 1/4	5 3/8	4 3/4	8 1/8	7 3/8	8 1/4	6 5/8	6 3/8
P/E Ratio—	15–9	15–10	11–7	22–8	NM	34–21	9–5	21–12	30–14	11–4

Data as orig. reptd. Adj. for stk. div(s). of 100% Nov. 1989. 1. Reflects merger or acquisition. 2. Bef. results of disc. opers. of +0.57 in 1986, +0.17 in 1984. 3. Incl. intangibles. NM-Not Meaningful.

July 15, 1991

Standard & Poor's Corp.
25 Broadway, NY, NY 10004

Univar Corporation

Income Data (Million $)

Year Ended Feb. 28	Revs.	Oper. Inc.	% Oper. Inc. of Revs.	Cap. Exp.	Depr.	Int. Exp.	[3]Net Bef. Taxes	Eff. Tax Rate	[4]Net Inc.	% Net Inc. of Revs.	Cash Flow
1991	1,396	56.0	4.0	41.4	14.2	13.6	33.6	41.6%	19.6	1.4	33.8
1990	1,379	61.5	4.5	39.6	14.4	14.4	36.0	40.2%	21.5	1.6	35.9
1989	1,306	56.0	4.3	31.6	13.8	12.2	33.9	41.0%	20.0	1.5	33.8
[1]1988	1,117	42.9	3.8	18.9	13.7	10.3	21.4	47.9%	11.2	1.0	24.9
[1]1987	693	14.8	2.1	85.8	8.2	6.3	1.5	52.4%	0.7	0.1	8.9
[2]1986	538	16.2	3.0	10.4	4.8	6.1	6.6	35.3%	4.3	0.8	9.1
1985	952	25.7	2.7	18.2	6.0	9.8	25.5	38.0%	15.8	1.7	21.8
[2]1984	861	24.8	2.8	12.6	5.2	8.4	12.3	40.0%	[5]7.4	0.8	12.6
1983	930	34.2	3.7	23.7	11.9	20.1	5.0	NM	5.1	0.6	17.1
1982	954	46.4	4.9	49.1	9.6	21.9	24.4	24.1%	18.5	1.9	28.0

Balance Sheet Data (Million $)

Feb. 28	Cash	Curr. Assets	Curr. Liab.	Curr. Ratio	Total Assets	Ret. On Assets	Long Term Debt	Common Equity	Total Inv. Capital	% LT Debt of Cap.	% Ret. on Equity
1991	16.7	298	209	1.4	526	3.9%	136	148	307	44.1	14.0
1990	13.3	276	204	1.4	477	4.7%	116	132	259	44.9	17.4
1989	7.5	260	196	1.3	431	4.8%	103	115	219	47.2	18.9
1988	6.6	235	167	1.4	395	3.0%	115	96	211	54.7	12.3
1987	Nil	194	143	1.4	347	0.2%	103	85	190	54.2	0.9
1986	0.1	107	77	1.4	187	1.7%	59	45	108	54.8	6.1
1985	4.5	212	140	1.5	303	5.3%	61	96	161	38.1	15.9
1984	2.3	188	125	1.5	287	2.2%	53	102	159	33.6	7.4
1983	5.1	223	148	1.5	382	1.4%	117	98	230	50.9	5.3
1982	4.3	225	146	1.5	373	5.4%	117	96	222	52.6	20.4

Data as orig. reptd. 1. Reflects merger or acquisition. 2. Excl. disc. opers. 3. Incl. equity in earns. of nonconsol. subs. 4. Bef. results of discontinued operations in 1986, 1984. 5. Reflects accounting change. NM-Not Meaningful.

Net Sales (Million $)

Quarter:	1991-92	1990-91	1989-90	1988-89
May	377	362	360	324
Aug.		362	354	339
Nov.		353	348	329
Feb.		319	317	316
		1,396	1,379	1,308

Based on a brief report, sales for the quarter ended May 31, 1991, rose 4.1%, year to year, aided by the acquisition of a northeastern U.S. distributor. Profitability was severely penalized by soft economic conditions, which resulted in price concessions and margin pressures. Net income fell 79%, to $890,000 ($0.06 a share) from $4.2 million ($0.32).

Common Share Earnings ($)

Quarter:	1991-92	1990-91	1989-90	1988-89
May	0.06	0.32	0.27	0.23
Aug.		0.32	0.32	0.35
Nov.		0.26	0.32	0.30
Feb.		0.20	0.31	0.26
		1.10	1.22	1.13

Finances

In June 1991, UVX raised $30.1 million through the sale of 1.9 million common shares (9.5%) at $15.84 each to Dow Chemical to fund the Beijer Industrial acquisition. Under an agreement, UVX may put up to 2.9 million more shares to Dow between Jan 1, 1992, and Dec 31, 1993, although Dow's ownership cannot exceed 21%.

In April 1991, the company acquired the distribution assets of Mathieu Corp. for $9.6 million.

Dividend Data

Dividends have been paid since 1935.

Amt of Divd. $	Date Decl.	Ex-divd. Date	Stock of Record	Payment Date
0.07½	Oct. 26	Nov. 5	Nov. 12	Dec. 4'90
0.07½	Jan. 21	Feb. 5	Feb. 11	Mar. 5'91
0.07½	May 3	May 8	May 14	Jun. 4'91
0.07½	Jun. 21	Aug. 6	Aug. 12	Sep. 4'91

Capitalization

Long Term Debt: $135,531,000.

Common Stock: 19,508,800 shs. ($0.33⅓ par).
Pakhoed Holding, N.V. owns about 31%.
Institutions hold approximately 21%.
Shareholders of record: 6,200.

Office—1600 Norton Building, 801 Second Ave., Seattle, WA 98104. Tel—(206) 447-5911. Chrmn—J. H. Wiborg. Pres & CEO—J. W. Bernard. VP-Fin—N. Sansom. Secy—W. A. Butler. Dirs—J. W. Bernard, H. P. H. Crijns, R. E. Engebrecht, M. W. Hooper, C. P. Liedtky, N. S. Rogers, R. S. Rogers, A. V. Smith, W. K. Street, G. Verhagen, N. V. D. Vorm, J. H. Wiborg. Transfer Agent & Registrar—First Interstate Bank Ltd., Calabasas, Calif. Incorporated in Delaware in 1966. Empl—2,626.

859-3400 -2181

Consolidated

ANGELES CHEMICAL COMPANY, INCORPORATED
8915 SORENSEN AVENUE
SANTA FE SPRINGS, CALIFORNIA 90670

BALANCE SHEET

FOR 8/31/91

ASSETS			
CURRENT ASSETS			
PETTY CASH		2,751.90	
CASH IN BANK		384,520.90	
SHORT TERM INVESTMENTS	.00		
ALLOWANCE FOR MARKET VARIATION	.00		
NET INVESTMENTS		.00	
ACCOUNTS RECEIVABLE	1,004,007.88		
ALLOWANCE FOR DOUBTFUL ACCOUNTS	12,120.03CR		
NOTES RECEIVABLE	.00		
NET RECEIVABLES - TRADE		991,887.85DR	
ACCOUNTS RECEIVABLE - STALLION		101,209.90	
ACCOUNTS RECEIVABLE - OTHER		46,910.17	
ACCOUNTS RECEIVABLE - SAMSON		284,476.24	
EMPLOYEE ADVANCES		6,379.00	
INVENTORY - SOLVENTS AND CHEMICALS	394,061.48		
INVENTORY PACKAGING	289,669.39		
NET INVENTORY		683,730.87DR	
INVENTORY EXPENSE ALLOCATION		59,943.71	
INVENTORY - FUEL		11,155.60	
PREPAID INCOME TAXES		533.32	
PREPAID INTEREST		4,480.23	
PREPAID PROPERTY TAXES		4,514.21	
PREPAID INSURANCE		45,116.28	
PREPAID AUTO LEASE		475.00	
PREPAID FEES		3,900.00	
PREPAID OTHER EXPENSE		37,421.41	
DEPOSITS		2,715.00	
TOTAL CURRENT ASSETS			2,662,021.77DR
FIXED ASSETS - AT COST			
DRUMS	123,777.50		
OFFICE TRAILERS	99,567.43		
TRUCKS, TRAILERS AND AUTOS	219,335.36		
TANKS AND PLANT EQUIPMENT	716,383.38		
FURNITURE AND FIXTURES	209,247.11		
PLANT	354,662.97		
CONSTRUCTION IN PROCESS	.00		
TOTAL FIXED ASSETS		1,720,973.75DR	
LESS: ACCUMULATED DEPRECIATION		1,445,463.02CR	
NET FIXED ASSETS			275,510.73DR
OTHER ASSETS			
TOTAL OTHER ASSETS			.00DR
***** TOTAL ASSETS *****			2,937,532.50DR
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	981,171.35		

BR000331

ANGELES CHEMICAL COMPANY, INCORPORATED
8915 SORENSEN AVENUE
SANTA FE SPRINGS, CALIFORNIA 90670

BALANCE SHEET

FOR 8/31/91

ACCRUED TANK TESTING	1,200.00		
ACCRUED PAYROLL	13,657.47		
ACCRUED COMMISSIONS PAYABLE	11,795.69		
ACCRUED WORKMENS COMPENSATION INS.	1.45		
ACCRUED ESOP EXPENSE	5,100.00CR		
PAYROLL TAXES PAYABLE	4,242.26		
SALES TAXES PAYABLE	2,939.80		
INCOME TAXES PAYABLE	.00		
CUSTOMER DEPOSITS - CONTAINERS	69,440.14		
EMPLOYEE BENEFIT AND WELFARE FUND	279.65DR		
NOTES PAYABLE CURRENT	24,332.36		
ACCRUED PROFIT SHARING	.00		
TOTAL CURRENT LIABILITIES		1,113,621.07	
LONG TERM LIABILITIES			
NOTE PAYABLE-LT	5,043.31		
TOTAL LONG TERM LIABILITIES		5,043.31	
**** TOTAL LIABILITIES ****			1,118,664.38
SHAREHOLDERS' EQUITY			
CAPITAL STOCK - $0.10 PAR VALUE			
1,000,000 SHARES AUTHORIZED			
54,065 SHARES ISSUED & OUTSTANDING		5,406.50	
PAID IN CAPITAL		105,723.80	
RETAINED EARNINGS - BEGINNING	1,644,091.20		
NET INCOME OR (LOSS)	63,646.62CR		
RETAINED EARNINGS		1,707,737.82	
TOTAL SHAREHOLDERS' EQUITY			1,818,868.12
** TOTAL LIAB. & SHAREHOLDERS' EQUITY **			2,937,532.50

ANGELES CHEMICAL COMPANY, INCORPORATED
8915 SORENSEN AVENUE
SANTA FE SPRINGS, CALIFORNIA 90670

INCOME STATEMENT

		FOR 8/1/91 TO 8/31/91	%
SALES		4,591,477.21CR	100.00
SALES DISCOUNTS, RETURNS & ALLOWANCES		11,249.59DR	.24
PURCHASE PRICE VARIANCE		.00	.00
DEC.DEPT.LABOR VARIANCE		19,346.28	.42
COST OF SALES		3,604,030.59DR	78.49
**** GROSS PROFIT ****		995,743.31CR	21.69
OPERATING EXPENSES			
PRODUCTION EXPENSES:			
PHYSICAL INVENTORY COUNT VARIANCE	10,247.60		.22
INVENTORY LOSS DAMAGED GOODS	5,908.73		.13
DIRECT LABOR	92,421.35		2.01
INDIRECT LABOR	9,868.00		.21
PAYROLL TAXES	9,906.58		.22
WORKMENS COMP.INS.	30,212.89		.66
GROUP INSURANCE	23,583.07		.51
EMPLOYEE MEDICAL BENEFITS	.00		.00
OUTSIDE LABOR	76,772.07		1.67
AUTO/TVL	.00		.00
DRUM MAINTENANCE	55,572.00		1.21
DUES/SUBSCRIPTIONS	.00		.00
EMPLOYEE WELFARE	3,102.03		.07
EQUIP.RENTAL	87.43		.00
FREIGHT IN	22,344.13		.49
FREIGHT-OUT	25,792.87		.56
INSURANCE PDAL	30,877.01		.65
LAB SUPPLIES	476.82		.01
OFFICE SUPPLIES	34.50		.00
PACKAGING PRINTING	5,444.55		.12
PLANT SUPPLIES	34,068.64		.74
PROF.SERVICES	.00		.00
RENT	41,800.00		.91
REPAIRS/MAINT.	9,294.65		.20
TANK TESTING	4,800.00		.10
TAXES/LICENSES	8,946.94		.19
TELEPHONE	388.14		.01
TRUCK	61,063.87		1.33
UNIFORMS	.00		.00
UTILITIES	4,970.46		.11
TOTAL PRODUCTION EXPENSES		575,985.21	12.54
SALES EXPENSES:	.00		.00
SALES SALARIES	64,390.33		1.40
PAYROLL TAXES	7,022.95		.15
WORKMENS COMP.INS.	2,541.21		.06
GROUP INSURANCE	5,796.41		.13
EMPLOYEE MEDICAL BENEFITS	.00		.00
OUTSIDE LABOR	.00		.00

BR000333

ANGELES CHEMICAL COMPANY, INCORPORATED
8915 SORENSEN AVENUE
SANTA FE SPRINGS, CALIFORNIA 90670

INCOME STATEMENT

	FOR 5/1/91 TO 8/31/91		%
ADVERTISING	5,262.30		.11
AUTO/TRVL.	20,797.32		.45
COMMISSIONS	135.00		.00
DUES/SUBSCRIPTIONS	175.00		.00
EMPLOYEE WELFARE	.00		.00
EQUIP.RENTAL	256.00		.01
OFFICE SUPPLIES	.00		.00
POSTAGE	13.79		.00
PROF.SERVICES	.00		.00
RENT	.00		.00
REPAIRS/MAINT.	.00		.00
SALES PROMOTION TRAVEL	3,451.52		.08
SALES PROMOTION ENTERTAINMENT	9,331.32		.20
TAXES/LICENSES	.00		.00
TELEPHONE	7,857.65		.17
TOTAL SALES EXPENSES		127,081.00	2.77
ADMINISTRATIVE EXPENSES:	.00		.00
ADMIN.SALARIES	63,109.10		1.38
PAYROLL TAXES	5,340.21		.12
WORKMENS COMP.INS.	1,775.46		.04
GROUP INSURANCE	6,372.16		.14
EMPLOYEE MEDICAL BENEFITS	.00		.00
OUTSIDE LABOR	2,126.75		.05
AUTO/TVL	1,808.76		.04
BAD DEBT	4,000.00		.09
COMPUTER	3,855.98		.08
DIRECTORS FEES	.00		.00
DONATIONS	.00		.00
DUES/SUBSCRIPTIONS	2,337.95		.05
EMPLOYEE WELFARE	822.96		.02
EQUIP.RENTAL	120.54		.00
INSURANCE-PROPERTY	1,600.00		.03
MISC. EXPENSE	.00		.00
OFFICE EXPENSE	6,143.50		.13
POSTAGE	2,323.05		.05
PROF.SERVICES	13,224.06		.29
PROFIT SHARING	5,100.00		.11
RENT	4,000.00		.09
REPAIRS/MAINT.	2,136.00		.05
TAXES/LICENSES	1,337.60		.03
TELEPHONE	13.41CR		.00
UTILITIES	1,161.58		.03
TOTAL ADMINISTRATIVE		128,670.53	2.80
DEPRECIATION		26,220.96	.57
COMMISSIONS-SERV2		41,506.78	.91
* TOTAL OPERATING EXPENSES *		899,545.58	19.59
** OPERATING INCOME OR (LOSS) **		96,170.03CR	2.10

BR000334

ANGELES CHEMICAL COMPANY, INCORPORATED
8915 SORENSEN AVENUE
SANTA FE SPRINGS, CALIFORNIA 90670

INCOME STATEMENT

	FOR 5/1/91 TO 5/31/91		%
OTHER INCOME			
PURCHASE DISCOUNTS	391.54		.01
DEMURRAGE CHARGED	25.00		.00
DIVIDEND INCOME	.00		.00
INTEREST INCOME	4,454.46		.10
LEASING INCOME	.00		.00
SALE OF ASSETS	.00		.00
TERMINALING CHARGES	14,345.35		.41
MISCELLANEOUS	2,732.43		.06
		21,948.44	.48
OTHER EXPENSE			
INTEREST EXPENSE	4,087.25		.09
SAMSON INCOME SPLIT	50,145.78		1.09
CONSULTANT EXPENSE	.00		.00
ACQUISITION START-UP EXPENSE	.00		.00
		54,233.03	1.18
EXTRAORDINARY ITEMS			
OTHER	.00		.00
		.00	.00
NET INCOME OR (LOSS) BEFORE TAXES		62,913.68	1.39
PROVISION FOR TAXES		266.68	.01
***** NET INCOME OR (LOSS) *****		62,447.00CR	1.39

Cincham
4/30/91

Valuation Issues

1. Sales stabilized; loss narrow to B/E
   Upri 1991

2. Sonoco (?) joint-venture
   - Increases sales?
   - " profit
   - Back up for Loche

3) Balance sheet stronger:
   - Higher cash position - since F 86
   - " W.C. than F 90

4) Environmental costs & concerns behind?

BRAMSTEDT ASSOCIATES
FINANCIAL CONSULTING • BUSINESS VALUATIONS

EVALUATION of the COMMON STOCK of ANGELES CHEMICAL CO.

as of
April 30, 1990

Prepared by:
Bramstedt Associates, Inc.
October 1990

1914 MAR WEST • TIBURON • CALIFORNIA 94920
(415) 435-9438

BRAMSTEDT ASSOCIATES
FINANCIAL CONSULTING • BUSINESS VALUATIONS

October 5, 1990

CONFIDENTIAL

Employee Stock Ownership Plan
  Administrative Committee
Angeles Chemical Co.
P.O. Box 2163
Santa Fe Springs, California 90670

Attn: Mr. John Locke

Gentlemen:

You have requested we establish the fair market value of the common stock of Angeles Chemical Co. for Employee Stock Ownership Trust (ESOT) purposes as of April 30, 1990.

Our evaluation places a fair market value of $1,527,885 on the common stock of Angeles Chemical Co. as of April 30, 1990. Based on 54,065 A and B common shares outstanding, the value per share is $28.25. This evaluation is derived from adjusted book value and is discounted for restricted marketability. The valuation conclusion was transmitted orally to John Locke on October 3, 1990.

Earnings prospects can change, as can the general economic climate. Federal regulations require that the Company's common stock be reevaluated at least annually for ESOT purposes.

Very truly yours,

BRAMSTEDT ASSOCIATES, INC.

Eric M. Bramstedt

Eric M. Bramstedt, CFA
President

EMB:ew
enclosure

1914 MAR WEST • TIBURON • CALIFORNIA 94920
(415) 435-9438

TABLE OF CONTENTS

I. INTRODUCTION

Angeles Chemical Co. ("Anchem" or the "Company") has requested Bramstedt Associates, Inc. render its opinion as to the fair market value of the Company's common stock in connection with transactions involving the Company's Employee Stock Ownership Trust (ESOT). This valuation is based on financial data provided us for the five fiscal years ended April 30, 1990 and is derived from an adjusted book value methodology.

In that regard, Bramstedt Associates places a fair market value of $1,527,885 or $28.25 per share on the common stock of Anchem as of April 30, 1990 based on 54,065 A and B shares outstanding.

Anchem is a closely held corporation with no present market for its common stock. It is a regional Southern California liquid chemical distributor whose products are primarily used in industrial and commercial coating applications. Sales in fiscal 1990 were $8.1 million, having dropped 52% from a peak of $16.8 million in fiscal 1982. The Company lost $239,000 and $110,000 in fiscal 1990 and 1989 respectively, its first losses since Anchem's founding in 1972. Like all chemical processors and distributors, Anchem is confronted with significant environmental regulations which are affecting its basic business. However, the potential soil and underground water contamination problems at the Company's plant are not as serious as anticipated a year ago.

Anchem has a reasonably liquid balance sheet and no long-term debt. This factor, the environmental issues, the uninterrupted sales decline and the current operating losses are significant elements in this appraisal.

Scope of the Valuation Study

The purpose of this valuation study is to determine the fair market value of a minority interest in the common stock of Anchem as of April 30, 1990 for transactions involving the Company's Employee Stock Ownership Trust.

In performing this valuation study, a variety of data and assumptions was used. The financial information on past performance was gathered from the financial statements of Anchem as prepared by its accounting firm for the past five fiscal years. We have included in Appendix I a copy of Anchem's most recent financial statement, for the fiscal year ended April 30, 1990.

Projections of expected future financial performance through fiscal 1991 were provided by management. The appraiser has visited the Company's facilities in Santa Fe Springs, California, most recently in June 1990. Interviews were held with members of management and with certain outside sources with regard to the chemical distribution industry generally and specifically about several important environmental/regulatory issues facing the Company.

In ascertaining the value of the Company, published data on publicly traded companies were utilized in an effort to find comparable companies. There were no companies which were found to be directly comparable.

Prior ESOP Valuations and Reports

Anchem's ESOP was established during fiscal year 1984 as a conversion from a profit sharing plan. ESOP valuations for fiscal years 1984, 1985 and 1986 were prepared by Charles B. Stark, Jr., PC; the fiscal 1987, 1988 and 1989 valuations were conducted by Menke & Associates, Inc. The table below illustrates the aggregate ESOP (minority interest) values relative to certain financial criteria for fiscal years 1986-90:

ESOP Valuation Summary
F1986-1990

		Percent of			Times	
Date	Aggregate ESOP Value	Sales	Assets	Equity	Gross Profit	Working Capital
4/30/90	$1,527,885	18.8%	54.7%	85%	0.79X	1.14X
4/30/89	1,635,995	18.2	53.9	81	0.79	1.08
4/30/88	1,730,000	18.3	56.5	81	0.72	1.15
4/30/87	2,122,604	20.2	65.0	100	0.78	1.46
4/30/86	2,600,000	21.4	79.2	127	1.17	1.56

Per-share values were: $28.25, $30.25, $32.00 and $39.25 on 54,065 Class A and B shares in fiscal 1990, 1989, 1988 and 1987 respectively; and $48.20 on 54,209 A and B shares in fiscal 1986.

Menke & Associates' fiscal 1987 (dated November 1989), 1988 (October 1988) and 1989 (September 1989) valuation reports are herein incorporated. Among other information, these reports contain a description of the chemical distribution industry; Anchem's history, operating description and management; and the valuation methodologies employed.

Limitations of this Valuation

In preparing the valuation, Bramstedt Associates relied upon and assumed the accuracy and completeness of all financial, statistical and other information provided by Anchem. Bramstedt Associates also considered information based upon other publicly available sources which it believes to be reliable, however Bramstedt Associates and the appraiser do not guarantee the accuracy and completeness of such information and did not independently verify the financial statements and other information. The appraiser is not aware of material omissions or understatements which would affect values contained in this report. The fair market value arrived at herein represents the appraiser's considered opinion based upon the facts and information presented to him. No legal opinion is expressed by this report and its accompanying documents.

This appraisal is intended for the purpose(s) stated herein. Any other application by the Company, its shareholders and others may not be appropriate.

Neither the appraiser nor Bramstedt Associates, Inc. has any present financial interest in Anchem, and the fee for this valuation is not contingent upon the value(s) determined. This report was prepared by Bramstedt Associates as a subcontractor to Sansome Street Appraisers, Inc. The qualifications of Bramstedt Associates to undertake this valuation are summarized in Appendix II.

II. VALUATION PROCESS

The stock in this valuation has been evaluated based upon: (1) the pertinent principles, regulations and guidelines of the Internal Revenue Service; (2) analysis of the Company's financial statements; (3) thorough discussions with management; and (4) analysis of relevant industry conditions and other factors.

Definitions

The following terms will recur throughout the valuation and should be understood by the following definitions, except as otherwise noted:

Fair Market Value -- The Internal Revenue Service has defined "fair market value" in Revenue Ruling 59-60, issued in March 1959, as:

> "...the price at which the property would change hands between a willing buyer and a willing seller when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, both parties having reasonable knowledge of relevant facts. Court decisions frequently state, in addition, that the hypothetical buyer and seller are assumed to be able, as well as willing, to trade and be well informed about the property and concerning the market for such property."

This definition is widely accepted and used in courts of law and in tax literature and is the most widely used approach in valuing closely held securities. It is the basic definition upon which we have relied in determining the fair market value of the Company's stock. Revenue Ruling 59-60 was issued for estate valuation purposes, but is not limited to that use. It serves as a guide in virtually all valuation situations requiring the determination of fair market value.

Pretax and Pre-Contribution Earnings -- Pretax earnings refer to earnings or income before federal, state and local income taxes. Pre-contribution earnings refer to pretax earnings before discretionary employee benefit plan contributions.

ESOP -- Employee Stock Ownership Plan and ESOT -- Employee Stock Ownership Trust refer essentially to the same entity and for purposes of this valuation can be considered interchangeable.

IRS & DOL Guidelines

In general, a company whose securities are traded in volume by informed persons in a free and active market has its fair market value determined continuously. The prices at which the securities of such a company trade are a reflection of the collective opinion of the investing public as to what the future prospects of the company are at that point of time. However, when a stock is traded infrequently, or is traded in an erratic market, or is closely held, such as in the case of Anchem, some other measure of value must be found.

The Internal Revenue Code of 1954, Section 2031(b), specifies that the value of stocks and securities of corporations not listed on an exchange or freely traded "...shall be determined by taking into consideration, in addition to all other factors, the value of stock or securities of corporations engaged in the same or a similar line of business which are listed on an exchange."

Revenue Ruling 59-60, issued in March 1959 for estate valuation purposes and extended to include the determination of fair market value of closely held businesses for income and other tax purposes by Revenue Ruling 65-193, further develops a set of eight criteria which, while not all-inclusive, are fundamental to the appraisal of the fair market value of closely held companies.

The Department of Labor has issued proposed regulations on "Adequate Consideration" which address valuation issues affecting Employee Stock Ownership Plans. These proposed regulations endorse Revenue Ruling 59-60 and set forth other factors to be considered in valuing securities for ESOT purposes.

Consequently, this report has considered the following factors:

-- History of the Company and Nature of Its Business

-- Economic Outlook in General and Condition and Outlook of the Industry in Particular

-- Book Value of the Stock and Financial Condition of the Business

-- Earnings Capacity of the Company

-- Dividend Paying Capacity

-- Whether or Not the Enterprise Has Goodwill or Other Intangible Assets

-- Sales of Stock and Size of the Block of Stock to be Valued

-- The Market Price of Stocks of Corporations Engaged in the Same or a Similar Line of Business Having Their Stocks Actively Traded in a Free and Open Market or Over the Counter

The Effect of ESOP Contributions on Fair Market Value

Anchem's ESOP was established in fiscal 1984. The Company made cash contributions of $9,500 in fiscal 1989 and $13,900 in fiscal 1990.

The implementation of an Employee Stock Ownership Plan may have a material effect on the profitability and cash flows of a business enterprise. The effect on profitability and cash flows can, as a consequence, directly impact the fair market value of the business enterprise. The degree of effect depends on how the ESOP is funding the annual contribution itself (cash or stock).

An additional consideration in determining fair market value for an ESOP company is how the Company is providing for the emerging liability created when vested terminated plan participants tender Company stock for redemption.

For detailed discussions of the effect of cash and/or stock contributions on earnings, cash flows and book values and of the impact of emerging liability treatment on ESOP stock marketability, see Section II of the November 1987 valuation study prepared by Menke & Associates.

Comparability in Accounting Methods

The accounting profession allows a number of alternative accounting treatments in areas such as inventory and depreciation accounting. Depending upon the particular accounting method utilized, reported earnings may differ materially within a given year. These accounting treatments, which are permitted under Generally Accepted Accounting Principles (GAAP), are usually one-time decisions. Once a company has opted for a particular accounting treatment it cannot change between various accounting alternatives year after year without good cause. Because of these rules, accounting statements for a particular company are generally comparable from year to year. This comparability, however, may not exist from company to company even if they are in the same industry. This is especially true if one is comparing a "public" company with a "closely held" company.

A further discussion of the differences and economic ramifications of public and private Company accounting procedures is also found in Section II of the November 1987 valuation study.

Discounts to Fair Market Value

The marketability of the company's stock, the control position of majority shareholders, and the relationship of these factors to the block of stock being valued can also affect the concluded value.

Closely held stock, which lacks marketability, is far less attractive than a similar stock with ready access to the public marketplace. In valuing a block of stock, Revenue Rulings and

court decisions provide a basis for concluding that a discount is valid for an absence of marketability if the value base does not already reflect the lack of marketability.

Further, a minority stock interest in a closed corporation is usually worth much less than a proportionate share of the entity value of all the corporate stock. Discounts can range from 10% to 30% or more. When minority interest and lack of marketability discounts are both applied, they are sequential.

III. COMPANY AND INDUSTRY

Angeles Chemical is a resale/distributor primarily of liquid industrial chemicals used principally in the coating process. In fiscal 1990 sales of solvents were $4.9 million, packaging--$556,000 and Bortz--$2.7 million. Solvents are for the industrial markets and packaging and Bortz for the commercial sector, maintaining the 60-40 sales ratio of the past several years. Bortz and packaging carry about 25% better gross margins than solvents. Bortz, as explained in previous valuation reports, is a packager of paint thinners and finishes for the consumer/retail market which Anchem acquired in fiscal 1986 to broaden its sales base.

Since the peak in 1982 at $16.8 million, Company dollar sales have dropped over 50% to $8.1 million in fiscal 1990. Physical volume has declined even more because of periodic price increases. Price and cost changes in fiscal 1990 were moderate, at less than 2%, however, as dollar sales fell 9.6% and product gallons shipped fell 11.1% year-to-year from 1.7 million to 1.5 million gallons. The multi-year sales fall-off reflects the loss of major ($1 million-plus) accounts as several customers moved out of Southern California or changed their supplier source away from Southern California. The ever-increasing environmental regulations in Greater Los Angeles have created a prohibitively expensive and difficult operating circumstance for chemical processors and distributors.

In 1990, Anchem had about 160 active industrial customers and 320 in the packaging division, off about 50% and 25% respectively from several years earlier. All are located in Southern California. Ellis Paint Company, owned by Robert Berg, an Anchem founder and shareholder, is an important customer.

Anchem's basic raw materials are these organic chemicals--propylene, methanol, toluene, xylene, ethylene glycol, acetone and isopropyl alcohol. These are forms of petroleum distillates which are purchased from Shell, Chevron, Union Carbide, Exxon, Celanese and Vulkan Materials. The Company has on-site 32 underground storage tanks of 5,000 to 20,000 gallons capacity each and three above-ground tanks (old railroad tank cars) of 2,000 gallons capacity each.

Anchem operates out of administrative offices, packaging and storage facilities on a 1.8 acre site in Santa Fe Springs, California. The structures and improvements are Company-owned, while the underlying real estate is owned by a partnership comprised of the three founding stockholders--John Locke, Robert Berg and Arnold Rosenthal. Mr. Rosenthal is no longer active in the Company. Previous report discussions concerning the sale of the underlying real estate to the Company by the partnership are in limbo because of contamination issues discussed herein. Anchem is no longer renting downtown Los Angeles warehouse space from Robert Berg. The Company may build a warehouse at Santa Fe Springs.

As of the summer of 1990, Anchem had 26 full-time employees versus 31 and 34 a year and two years earlier respectively, reflecting the downsizing of the Company. The Company has also reduced temporary or part-time help.

Management and Ownership

The Company officers as of summer 1990 were:

Officer	Title	Joined Co.	Age
John Locke	President, CEO	1971	64
Robert Berg	Secretary/Treasurer	1971	___

Controller James Froelich left Anchem in early 1990 and has been replaced by a part-time consultant, Tim Mahoney. Candy Hutton, a long time employee, has been operations manager since 1989.

The Board of Directors consists of John Locke, Robert Berg, and Arnold Rosenthal. A Company founder, Mr. Rosenthal sold his stock to the ESOP in 1984 and had a consultant agreement with Anchem at $57,500 per year, the last payment of which was in July 1989 (fiscal 1990). Mr. Berg's primary employment is President of Ellis Paint Co.

As of April 30, 1990 there were 40,000 Class A and 14,065 Class B common shares outstanding (excluding treasury stock) as follows:

Holder	Number of Shares	
John Locke	20,000 A shares	37%
Robert Berg	20,000 A shares	37
ESOP	14,065 B shares	26
Total	54,065 A&B shares	100%

Class A common stock is voting and Class B is nonvoting. Otherwise, the two classes are equal. A valuation discount for the nonvoting Class B stock has not been taken by the prior appraisers nor by Bramstedt Associates since the stock is in an ESOP where voting rights are not passed through in any event except for major corporate issues.

Environmental Issues

The September 1989 Menke valuation study discussed in detail the environmental issues and regulations confronting Anchem and chemical processors and manufacturing generally in greater Los Angeles. Specifically, Anchem must comply with a number of regional environmental regulatory agencies. These include the South Coast Air Quality Management District, Environmental Protection Agency, Water Resources Board, California Highway Patrol (hazardous material, permit inspections, etc.), Fire Department of the City of Santa Fe Springs, and others. Anchem has no environmental agency actions, citations or violations as of this report date.

One pending regulation would ban the use of charcoal lighter fluid and restrict the manufacture of certain paints and solvents in the Los Angeles Basin. However, the most imminent issue facing Anchem is the possible existence of surface and underground soil and water chemical contamination at the Santa Fe Springs site. The pollution question has also impeded the property ownership transfer discussed earlier.

As of September 1989, SCS Engineers, Anchem's environmental consultant, had just been retained and neither it nor the Company could then quantify the scope or magnitude of Anchem's possible contamination problems, which potentially could have involved major investigation, clean-up or remedial costs. Anchem has no environmental liability insurance nor had any reserves been established.

In the intervening year, SCS has completed several core and one groundwater well and related analysis. Minor surface contamination was found from run-off. Some chemical contamination was detected in the groundwater well which source may be part Anchem's and part from a contiguous McKesson plant site. Contaminant levels are low and will not require extensive treatment, according to SCS. The underground storage tanks were not leaking, which will obviate the need for expensive repairs and monitors, and the tanks will not now have to be replaced.

The Water Resources Board may require more groundwater test wells. The Company conducts regular inventories to monitor for tank or pipe leaks. Testing costs (SCS) in fiscal 1990 were $21,000 and may be the same in fiscal 1991.

As of the summer of 1990, Anchem is in compliance and is not facing any significant operational or financial constraints from environmentally related problems. As contrasted with a year ago, there are no major prospective remedial or clean-up costs. For the time being, the Company has the financial resources to handle the anticipated testing and compliance procedures. Its ability to conform at this time with more clearly defined environmental obligations is a positive valuation consideration as compared with the uncertain situation at the April 30, 1989 valuation date.

The Industry

Chemical manufacturing has a real growth rate that is 15% to 20% above the GNP and an increasing portion of that is sold through chemical distributors. Thus chemical distributor sales are growing faster than chemical manufacturing sales as distributors increase their market share.

The chemical distribution business is estimated at $14 billion (5% of total chemicals produced) which is sold by 1,000 distributors. The largest of these is Univar Corp. with annual sales of $1.4 billion. The top 50 hold about half of the market with an approximate $6.7 billion of sales shared by 950 companies or a simple average of $7 million per company. The top four distributors are publicly held or divisions of public companies while the small operators are privately owned. The large companies are generally growing faster than the smaller participants.

The number of new distributors entering the business is shrinking and smaller companies are leaving the business or are being acquired by large companies. The major reason for this contraction is the mass of federal, state and local regulations on environment, health safety, storage, transportation, labeling and worker and public disclosure. Large resources are needed to meet the consequent legal, technical, insurance, and operations requirements. Private company owners' net worth is increasingly at risk. Attempts to exit the business or to sell private company stock, facilities or real estate may be entangled in potential environmental liabilities. Such has been the case at Anchem where the stockholder/founders have been trying to sell the Anchem real property site to the Company for some time.

(Note - The above industry information is excerpted from Univar Corp.'s 1990 annual report.)

Financial Analysis and Review

Anchem has provided Bramstedt Associates with financial statements for the fiscal years 1986-1990. These financial statements have been thoroughly examined and discussed with management. A copy of the Company's financial statement for the fiscal year ended April 30, 1990, prepared as a compilation by Arthur Buhlman & Co., CPAs, is attached as Appendix I.

The results of our review and analysis of Anchem's financials are contained in the exhibits outlined below:

Exhibit A -- Comparative Income Statement, FY1986-1990
Exhibit B -- Comparative Balance Sheets, FY1986-1990
Exhibit C -- Selected Financial Ratios, FY1988-1990

These exhibits are presented at the end of this section of the report. The following comments and observations are based upon Bramstedt Associates' review and analysis of the Company's financial statements.

Exhibit A contains Anchem's comparative operating statement in terms of dollars and dollars as a percent of sales for the period fiscal 1986-1990. Sales in fiscal 1990 dropped 9.6% or $864,000 to $8.1 million, the lowest since 1978. About half of this drop was in lost charcoal starter sales during the last four months of the fiscal year when Chevron's El Segundo refinery could not ship feedstock because of a fire. Chevron shipments resumed by June 1990. Thus the real sales decline year-to-year may have been about $400,000 which would equal the smallest dollar annual drop

(F1989/88) in eight years of consecutive sales erosion. The Company shipped 1.5 million gallons of product in 1990, down 11% from 1.7 million in 1989, indicating prices may have risen 1.5%. Originally, management forecast that sales would stabilize at $9 million in fiscal 1990 when they may be stabilizing at $8 million plus, which is management's projection for fiscal 1991.

Cost of sales fell $746,000 or 10.7% to $6.2 million (76.2% of sales) in fiscal 1990 from $6.9 million (77.1%) in fiscal 1989. Gross profit was down slightly at $1.9 million in 1990 so gross margins rose to 23.8% in 1990 from 22.9% as raw material costs were stable. Gross margins in fiscal 1987 and 1988 were around 26%. Of course, refinery product costs have risen sharply since the Iraq invasion of Kuwait in early August 1990 and the Company has been able to maintain margins so far by raising its prices. This subsequent circumstance is not an applicable consideration for a valuation as of April 30, 1990, however.

Operating expenses were $2.2 million (26.9%) in 1990 or the same as in 1989 when they were 24.5% of sales. Administrative salaries rose $52,000 in fiscal 1990 as officers took their fiscal 1989 bonuses in May 1989, the first month of fiscal 1990. No bonus was paid in May 1990. Other accounts showing increased expenses were sales and direct wages, auto and travel, plant and truck expense, tank testing and professional services. The latter were mostly for legal costs associated with contamination clean-up problems on a site leased by Anchem in the mid-1970s. Management believes the Company may be able to recover these legal fees from the building's insurance carrier. Anchem will experience legal and environmental testing costs again in fiscal 1991.

Offsetting lower expenses were experienced in indirect wages, outside labor, drum maintenance and freight out. The $118,000 fall-off in gross profit, combined with flat operating costs year-to-year, caused the operating loss in fiscal 1990 to widen by $103,000 to $248,000 from $145,000 in fiscal 1989.

Other income fell to $56,000 (mostly terminaling charges) from $105,000 in 1989 when there was a nonrecurring asset sale of $42,000. Other expense was lower at $47,000 versus $112,000 in fiscal 1989 which included a $46,000 loss on stock sale. Other expense in fiscal 1990 includes the last consultant fee payment of $38,000 to Arnold Rosenthal.

The pretax and net loss were both $239,000 in fiscal 1990, about double fiscal 1989. The Company has used up its tax loss carryback and now has an undetermined tax loss carryforward.

Exhibit B contains Anchem's comparative balance sheet in dollars and dollars as a percent of assets for the period fiscal 1986-1990.

This statement shows that total assets dropped 8.1% or $246,000 to $2.79 million at April 30, 1990 as compared with just over

$3 million at April 30, 1989. This is the first time that total assets invested in the business have dropped below $3 million since 1982.

The decline occurred in a $160,000 drop in current assets to $2.3 million (83.3% of total assets) at April 30, 1990 as compared with $2.49 million (81.8%) at April 30, 1989. Net fixed assets year-to-year dropped $87,000 to $465,000 (16.6%).

The Company remains liquid, with $341,000 in cash and equivalents (12.2%) at April 30, 1990 down slightly from year end 1989. Accounts receivable were up modestly to $1.2 million (43.7%) while inventories declined $101,000 to $618,000 (22.1%) and prepaid expenses and other current assets declined $110,000 to $147,000 (5.3%). The main decline in inventory occurred in the Bortz or commercial packaging product line.

Current liabilities at $983,000 (35.2% of total liabilities and equity) were essentially the same as at April 30, 1989. Of the major components of the current liability accounts, accounts payable was up about $70,000 to $773,000 (27.7%) at April 30, 1990 from $705,000 (23.2%) a year earlier. Deposits at $80,000 (2.9%) and notes payable at $83,000 (3.0%) were down somewhat from the April 30, 1989 figures.

Long-term liabilities were a very modest $22,000 (.8%). These liabilities and the short-term note payable represent debt incurred for the purchase of a diesel tractor and obligations to Avco to finance insurance premium prepayments for the fiscal year.

Shareholder equity fell to $1.79 million (64.0%) from just over $2 million (66.7%) at April 30, 1989 and was the lowest since fiscal 1983.

Exhibit C presents selected financial and operating ratios for the fiscal years 1988 to 1990. Working capital at April 30, 1990 was $1.34 million, down somewhat from the $1.5 million at the end of the prior two fiscal years. Consequently, the current ratio, while still very strong, at 2.37X also fell moderately from 2.55X at April 30, 1989; the quick ratio at 1.59X was unchanged from the prior two fiscal year ends. Sales to receivables was 6.66X, down from near 8X in the prior two fiscal years as Anchem's sales continued to decline. On the other hand, sales to working capital at 6.0X was exactly that of a year earlier. The Company's inventory turns at 10X at April 30, 1990 were essentially unchanged from fiscal 1989. As stated earlier, Anchem essentially has no long-term debt.

Appendix I contains a statement of cash flows for fiscal 1990 which is summarized and compared to fiscal 1989 as follows:

	F1989	F1990
	(000)	
Net cash from (used):		
Operating activities	$273	$ 94
Investing activities	106	(90)
Financing activities	(19)	(34)
Net change in cash	$361	$(30)

Cash flows from operating activities of $94,000, is composed of the $239,000 net loss adjusted for depreciation charges of $194,000, a decline in the prepaid expense account of $90,000, an increase in accounts payable of $68,000, an increase in customer and other deposits of $36,000, and miscellaneous other items (which see). The net cash used in investing activities of $90,000 consists of $56,000 for capital expenditures and a net of $33,000 advanced to Stallion Tank Lines, an affiliated company. Net cash used in financing activities of $34,000 is simply the net draw-down on principal loan payments over loan proceeds during the year. Overall, net cash used in fiscal 1990 was $30,000.

Conditions at Anchem at April 30, 1990 appear to have stabilized both environmentally and operationally. Management is suggesting that fiscal 1991 may replicate 1990 with sales of $8 million-plus and a comparatively small loss. The Company's inherent business viability, at least on a short to intermediate term basis, is preserved by its reasonably liquid and long-term debt free balance sheet.

ANGELES CHEMICAL CO.

Exhibit A

Comparative Income Statement, F1986-1990
($000)

FYE 4/30:	1990		1989		1988		1987		1986	
Net Sales	$8139	100.0%	$9003	100.0%	$9442	100.0%	$10521	100.0%	$12129	100.0%
Cost of Sales	6199	76.2	6945	77.1	7040	74.6	7787	74.0	9909	81.7
Gross Profit	1939	23.8	2057	22.9	2402	25.4	2734	26.0	2219	18.3
Operating Expenses	2187	26.9	2203	24.5	2497	26.4	2640	25.1	2136	17.6
Operating Income	(248)	(3.0)	(145)	(1.6)	(95)	(1.0)	94	.9	83	.7
Other Income	56	.7	105	1.2	189	2.0	73	.7	180	1.5
Other Expenses	(47)	(.6)	(112)	(1.2)	(123)	(1.3)	(88)	(.8)	(48)	(.4)
Pretax Income (Loss)	(239)	(2.9)	(152)	(1.7)	(29)	(.3)	79	.8	215	1.8
Provision for Taxes	--		42	.5	43	.5	(12)	(.1)	(75)	(.6)
Net Income	$(239)	(2.9)	$(110)	(1.2)	$ 14	.1	$ 67	.6	$ 139	1.2

SOURCE: Company financial statements (unaudited).

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ANGELES CHEMICAL CO.

Exhibit B

Comparative Balance Sheet
1986-90
(000)

As of 4/30:	1990		1989		1988		1987		1986	
Current Assets:										
Cash and liquid invstmnts.	$ 341	12.2%	$ 371	12.2%	$ 243	7.9%	$ 202	6.2%	$ 905	27.5%
Accounts receivable	1221	43.7	1139	37.5	1222	39.9	1323	40.5	1288	39.2
Inventories	618	22.1	719	23.7	773	25.3	794	24.3	597	18.2
Prepaid expenses/other	147	5.3	257	8.5	184	6.0	206	6.3	115	3.5
Total	2327	83.3	2486	81.8	2421	79.1	2526	77.3	2906	88.5
Fixed Assets at Cost	1831		1844		1724		1601		1089	
Accumulated Depreciation	(1366)		(1292)		(1101)		(868)		(719)	
Net Fixed Assets	465	16.6	552	18.2	623	20.4	733	22.4	371	11.3
Other Assets	--		--		17	.5	8	.2	8	--
Total Assets	$2792	100.0	$3038	100.0	$3061	100.0	$3266	100.0	$3285	100.0
Current Liabilities:										
Accounts payable	$ 773	27.7%	$ 705	23.2%	$ 570	18.6%	$ 609	18.6%	$1119	34.1%
Deposits	80	2.9	119	3.9	142	4.6	198	5.8	159	4.8
Note payable	83	3.0	103	3.4	83	2.7	193	5.9	--	
Accrued expenses	47	1.7	47	1.5	116	3.8	68	2.1	49	1.5
Income tax payable	--		--		--		--		(87)	(2.6)
Total	983	35.2	975	32.1	912	29.8	1068	32.7	1240	37.7
Long-Term Liabilities	22	.8	37	1.2	13	.4	76	2.3	--	
Shareholder Equity	1787	64.0	2026	66.7	2136	69.9	2122	65.0	2046	62.3
Total Liabilities & Equity	$2792	100.0	$3038	100.0	$3061	100.0	$3266	100.0	$3285	100.0

SOURCE: Company financial statements (unaudited).

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ANGELES CHEMICAL CO.

Exhibit C

Selected Ratio Analysis
FY1988-90

FY 4/30:	1990	1989	1988
Liquidity Ratios			
Current (Current Assets divided by Current Liabilities)	2.37	2.55	2.65
Quick (Cash & Accounts Receivable divided by Current Liabilities)	1.59	1.55	1.61
Working Capital ($000)	1344	1511	1509
Sales/Receivables (Sales divided by Accounts Receivable)	6.66	7.90	7.73
Sales/Working Capital (Sales divided by Working Capital)	6.0	6.0	6.3
Cost of Goods Sold/Inventories (Cost of Goods Sold divided by Inventories)	10.0	9.7	9.1
Coverage Ratios			
EBIT/Interest (Earnings before Interest & Tax divided by Interest Expense)	Neg.	Neg.	Neg.
Cash Flow/Maturity LTD (Net Income + Depreciation Expenses divided by Current Portion of Long-Term Debt)	Neg.	1.05	2.5

Exhibit C (Cont.)

FY 4/30:	1990	1989	1988
Leverage Ratios			
Debt/Worth (Total Liabilities divided by Net Worth)	0.56	0.50	0.43
Long-Term Liabilities/Worth (Liabilities over one year divided by Net Worth)	Nom.	Nom.	Nom.
Operating Ratios			
Percent Profit before Taxes/ Net Worth (Pretax Profit divided by Assets less Liabilities)	Neg.	Neg.	Neg.
Total Asset Turnover (Sales divided by Average Total Assets)	2.79	2.95	2.98
Return on Equity (Net Income divided by Average Stockholders' Equity)	Neg.	Neg.	Nom.
Return on Assets (Net Income divided by Average Stockholders' Equity)	Neg.	Neg.	Nom.

Neg. = Negative calculation
Nom. = Nominal

SOURCE: Company statements and Bramstedt Associates.

IV. VALUATION

In arriving at a minority interest fair market value determination for Anchem, Bramstedt Associates has considered the relevant factors set forth in Revenue Ruling 59-60 with regard to the valuation of closely held companies and in the Department of Labor's (DOL) proposed regulations on "Adequate Consideration" as they relate to the valuation of securities for Employee Stock Ownership Plan purposes. The following comments represent our findings with regard to those specific factors outlined in Revenue Ruling 59-60 and the DOL's proposed regulations on "Adequate Consideration" as they pertain to the valuation of Anchem. The following references to Revenue Ruling 59-60 implicitly include the DOL's proposed regulations.

Book Value

Revenue Ruling 59-60 states that the appraiser should consider book value when valuing a closely held company. Anchem's stated book value was $1,786,603 or $33.04 a share as of April 30, 1990.

Normally, book value or adjusted book value is not afforded much weight or consideration in the valuation of an operating company such as Anchem. Such type companies are normally valued on earnings and/or cash flow capacity. Because of depressed operating results, the appraiser chose to use book value as fair market value for ESOP purposes as of April 30, 1987 and used it as a valuation reference as of April 30, 1988, 1989 and 1990.

Dividend History, Capacity and Probability

Revenue Ruling 59-60 suggests that the appraiser consider dividends and dividend paying capacity in valuing closely held securities.

The Company has not paid any dividends on its common stock and has no intention of changing this policy at this time. This policy is quite appropriate for a small, private company which is owned by shareholders who neither rely upon nor expect dividend income.

Normally, earnings reinvested in the growth of a company can be expected to earn at a greater return than dividend income invested in other investment opportunities with similar risks and prospects. Consequently, shareholders will ultimately benefit from the current policy to reinvest earnings in the Company's growth rather than to pay cash dividends.

The capacity to declare and pay cash dividends is a positive consideration. The decision not to pay dividends is not a negative consideration.

Comparable Companies--Publicly Traded

Revenue Ruling 59-60 suggests that the appraiser consider the market price of stocks of corporations engaged in the same or a similar line of business having their stock actively traded in a free and open market or over the counter. Bramstedt Associates has made an exhaustive search for comparable public companies which can be deemed to be similar to Anchem. No single company proved to be a worthy publicly traded comparable. Public companies are generally much larger and more diverse both geographically and in business operations.

Univar Corp., a public company, is the largest U.S. chemical distributor with fiscal 1989 revenues of $1.38 billion. Van Water & Rogers, a Univar division, is a direct Anchem competitor. In fiscal 1990 Univar spent $4.9 million on certain environmental elective actions and has reserves of $6.9 million for estimated remedial and other related costs. Univar's net income per share was $1.22 and cash flow (net income plus depreciation) was $2.03 for the fiscal year ended February 28, 1990. Univar's current ratio as of that date was 1.35:1; debt to equity was 0.9:1 and book value was $7.53 per share. Return on sales and equity were 1.6% and 16.3% respectively. As of April 30, 1990, Univar common was trading at $13-3/4 or 1.8X book value, 11.3X earnings, 6.8X cash flow and 18% of revenues.

Normally, Bramstedt Associates would select a capitalization rate or Price/Earnings ratio by reference to P/E ratios for market indices such as the Dow Jones Industrials, Standard & Poor's 400 and Moody's Chemical Industry composite. Since a capitalization of earnings methodology is not now being employed, such a reference is not appropriate. Univar's market capitalization rates may be broadly referenced although Univar is a substantially larger and much more geographic, customer and product diverse company.

Cash Flow and Earnings Capacity

The prior ESOP valuations by Charles Stark, PC, appear to rely on conclusions derived from capitalizing five-year average of net income, aftertax cash flow and pretax available cash flow, among other methods. Aftertax cash flow is net income plus depreciation. Available cash flow before taxes is pretax income plus profit share/ESOP contribution plus depreciation. Depreciation in fiscal 1990 and 1989 was $194,000 and $211,000 respectively. Anchem's earnings and cash flow as just defined for fiscal 1990 and 1989 are shown below:

		Cash Flow	
Period	Net Income	Available	After Tax
FY1990	($239,000)	($31,000)	($ 45,000)
FY1989	(110,000)	69,000	101,000

Note: Figures have been rounded.

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In earlier valuation studies, three and five year averages of these profit measures were calculated and capitalized to derive fair market value. Because of the erosion of the Company's earning power, the application of this methodology has not been used recently. In fiscal 1990 income and cash flow all were negative for the first time.

<u>Valuation</u>

Because of insufficient demonstrable earning power and thin cash flow prospects, Bramstedt Associates and the appraiser once again must look to the balance sheet for valuation purposes as in fiscal 1989 when we employed an adjusted book value approach.

Generally, capitalization of income and cash flow streams is the appropriate methodology for determining the equity fair market value of an operating company such as Anchem. The decision to utilize adjusted book value is based on the factors discussed and the appraiser's experience and knowledge in deriving equity values of closely held companies.

For the instant valuation, the appraiser believes the stated book value of $1,787,000 should be discounted 5% or $89,350 to reflect the opinion that fixed assets and inventory would be liquidated at below book or carrying value.

Since management has not provided Bramstedt Associates with specific current estimates of plant and equipment market value, the appraiser's 5% discount to an adjusted value of $1,697,650 is somewhat judgmental. At the valuation date, Anchem was essentially long-term debt free and working capital was $1.34 million.

Subtracting working capital of $1.34 million from the adjusted book value suggests the plant and equipment may be worth in an orderly liquidation $353,650 versus a book cost of $465,000. Part of this figure could represent business goodwill and going concern value although economic worth of these elements, which Bramstedt Associates has not attempted to otherwise quantify, is shrinking as the Company loses customers and sales.

As of the ESOP plan year which began May 1, 1987, the ESOP Committee changed its policy or paying terminated plan participants in a lump sum to paying participants terminated for reasons other than retirement at age 65 in five annual cash pay-outs commencing on the first anniversary of termination. Terminated plan participants sell 20% of their stock in each of five years at the fair market value applicable for each year. Accordingly, the above derived value is discounted for restricted marketability by 10% or $169,765 to $1,527,885 or $28.25 a share (rounded) on 54,065 A and B shares outstanding. This figure is 14% above Anchem's working capital at April 30, 1990, which working capital basically accrues to the equity holders.

The discount has been reduced from 15% in fiscal 1989 because the environmental testing and clean-up costs have now been identified as financially manageable and the property acquisition from the partnership by the Company has been deferred. Thus the Company's cash ($341,000 at April 30, 1990) is available to purchase through the ESOP terminated participants' stock under the above program. The discount more reflects the time value of money in a deferred payment program.

Valuation Summary
Angeles Chemical Co.
April 30, 1990

Stated Book Value	$1,787,000
Less Liquidation Discount (5%)	89,350
Subtotal	1,697,650
Less Marketability Discount (10%)	169,765
Fair Market Value	$1,527,885
Per Share on 54,065 Shares	$28.25 (R)

R = Rounded

Recent Stock Sale and Valuation

Revenue Ruling 59-60 suggests that arm's-length sales to knowledgeable unrelated third parties in the recent past would be a basis for valuation.

There have been no such recent transactions.

V. CONCLUSIONS

Based on our experience and general knowledge in determining the value of closely held companies and upon the consideration of all factors previously discussed, Bramstedt Associates is of the opinion that the fair market value of the outstanding common stock of Angeles Chemical Co. for ESOT purposes is $1,527,885 or $28.25 per share as of April 30, 1990 on 54,065 Class A and B shares outstanding. This valuation is based on an adjusted book value approach.

Specific positive factors concerning Anchem were its still solid and long-term debt free balance sheet; liquid cash position; an indication of operational stabilization; and apparent determination that the Company does not have a material environmental economic exposure.

Unfavorable factors were eight consecutive years of sales and profit decline; losses in fiscal 1989 and 1990; negative returns on capital and equity; thin line management; and the increasingly hostile operating environment for small chemical processors in heavily populated urban areas.

It is important to point out that this evaluation is specifically intended to establish a per-share fair market value for shares to be issued or sold to the ESOT. This report does not specifically address the evaluation of the Company as an entity. The value of the Company as a whole, with the attendant rights to control the direction and growth of the Company, to influence or control compensation and dividends, to change the management, to acquire other companies and/or business operations, to buy companies or new product lines, or to sell or merge the Company, may be greater than the total value implied by this evaluation.

On the other hand, the value of minority interest shares held outside of an ESOT would probably be less than the value determined in this report. An ESOT with a "put" option obligating the Trust to repurchase the shares held by participants provides a valid market for such stock. Minority interest shares held outside of the ESOT would by necessity be discounted by more than 10% taken here for their greater inherent lack of marketability.

This valuation is as of April 30, 1990; and, since it is based upon recent financial statements, it should be valid for the near future. However, it is imperative to recognize that the dynamics of the industries served and general economic conditions can change and invalidate this evaluation. Federal regulations require that the Company's common stock be reevaluated at least annually for ESOT purposes.

APPENDIX I

ARCHER, BULMAHN & CO.
626 SOUTH LAKE AVENUE
PASADENA, CALIFORNIA 91106

TO THE BOARD OF DIRECTORS
ANGELES CHEMICAL COMPANY, INCORPORATED

WE HAVE COMPILED THE ACCOMPANYING BALANCE SHEET OF ANGELES CHEMICAL COMPANY, INCORPORATED AS OF APRIL 30, 1990 AND THE RELATED STATEMENTS OF INCOME AND CASH FLOWS FOR THE SIX MONTHS AND YEAR THEN ENDED, IN ACCORDANCE WITH STANDARDS ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS.

A COMPILATION IS LIMITED TO PRESENTING IN THE FORM OF FINANCIAL STATEMENTS INFORMATION THAT IS THE REPRESENTATION OF MANAGEMENT. WE HAVE NOT AUDITED OR PERFORMED A REVIEW SERVICE ON THE ACCOMPANYING FINANCIAL STATEMENTS, AND ACCORDINGLY, DO NOT EXPRESS AN OPINION OR ANY OTHER FORM OF ASSURANCE ON THEM.

MANAGEMENT HAS ELECTED TO OMIT SUBSTANTIALLY ALL OF THE DISCLOSURES REQUIRED BY GENERALLY ACCEPTED ACCOUNTING PRINCIPLES. IF THE OMITTED DISCLOSURES WERE INCLUDED IN THE FINANCIAL STATEMENTS, THEY MIGHT INFLUENCE THE USER'S CONCLUSIONS ABOUT THE COMPANY'S FINANCIAL POSITION, RESULTS OF OPERATIONS, AND CASH FLOWS. ACCORDINGLY, THESE FINANCIAL STATEMENTS ARE NOT DESIGNED FOR THOSE WHO ARE NOT INFORMED ABOUT SUCH MATTERS.

Archer, Bulmahn + Co.
CERTIFIED PUBLIC ACCOUNTANTS

SEPTEMBER 13, 1990

ANGELES CHEMICAL COMPANY, INCORPORATED
BALANCE SHEET
UNAUDITED
APRIL 30, 1990

ASSETS

CURRENT ASSETS			
PETTY CASH		$ 2,544.26	
CASH IN BANK		315,036.84	
CASH IN BANK - PAYROLL		(86.47)	
CASH IN BANK -BORTZ		12,811.76	
CASH IN BANK - WHITTIER CRED		506.67	
CASH IN MONEY MARKET		10,311.02	
ACCOUNTS RECEIVABLE	1,143,325.64		
ALLOW. FOR DOUBTFUL ACCTS.	(11,000.55)		
NET ACCOUNTS RECEIVABLE		1,132,325.09	
ACCTS. REC. - STALLION		61,196.19	
ACCTS. REC. - OTHER		27,592.31	
EMPLOYEE ADVANCES		1,555.00	
INVENTORY - CHEMICALS		308,796.40	388
INVENTORY -PACKAGING		70,805.73	72
INVENTORY -PKG.-BORTZ		231,281.25	261
INVENTORY -GASOLINE		6,981.57	10
PREPAID INCOME TAX		1,000.00	
PREPAID INTEREST		10,039.42	
PREPAID PROPERTY TAX		2,367.69	
PREPAID INSURANCE		108,325.57	
PREPAID AUTO INSURANCE		387.50	
PREPAID CONSULTANTS FEES		2,240.72	
PREPAID PACKAGING		20,904.55	
TOTAL CURRENT ASSETS		2,326,923.07	
FIXED ASSETS			
OFFICE TRAILER	97,811.43		
TRUCKS & AUTOS	220,385.36		
TANKS & PLANT EQUIPMENT	802,790.48		
FURNITURE & FIXTURES	207,061.21		
PLANT	351,755.97		
DRUMS	151,776.06		
TOTAL FIXED ASSETS	1,831,580.51		
LESS: ACCUMULATED DEPRECIATION	(1,366,504.08)		
NET FIXED ASSETS		465,076.43	
TOTAL ASSETS		$ 2,791,999.50	

ANGELES CHEMICAL COMPANY, INCORPORATED
BALANCE SHEET
UNAUDITED
APRIL 30, 1990

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
NOTES PAYABLE	$ 83,509.51	
ACCOUNTS PAYABLE	773,104.58	
OTHER ACCRUED LIABILITIES	10,304.98	
ACCRUED TANK TESTING	3,303.07	
ACCRUED PAYROLL	14,991.85	
ACCRUED COMMISSIONS	9,556.28	
ACCRUED WORKMANS COMP.INS.	2,606.57	
SALES TAX PAYABLE	5,222.67	
DRUM DEPOSITS	139,496.05	
DRUM DEPOSITS	(59,496.05)	
EMPLOYEE BENEFIT & WELFARE	620.61	
TOTAL CURRENT LIABILITIES		983,220.12
LONG-TERM LIABILITIES		
NOTE PAYABLE		22,176.44
TOTAL LIABILITIES		1,005,396.56
STOCKHOLDERS' EQUITY		
COMMON STOCK - $.10 PAR VALUE, 1,000,000 SHS. AUTHORIZED, 54,065 SHS. ISSUED & OUTSTANDING		5,406.50
PAID IN CAPITAL		105,723.80
RETAINED EARNINGS - BEGINNING	$ 1,914,790.89	
NET INCOME OR (LOSS)	(239,318.25)	
RETAINED EARNINGS		1,675,472.64
TOTAL STOCKHOLDERS' EQUITY		1,786,602.94
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		$ 2,791,999.50

ANGELES CHEMICAL COMPANY, INCORPORATED
STATEMENT OF INCOME
UNAUDITED
FOR THE TWELVE MONTHS ENDED APRIL 30, 1990

	CURRENT PERIOD	%	1990 YEAR TO DATE	%
SALES	$3,795,983.40	100.00	$8,138,980.02	100.00
COST OF SALES	2,890,755.79	76.15	6,199,546.87	76.17
GROSS PROFIT	905,227.61	23.85	1,939,433.15	23.83
OPERATING EXPENSES				
ADMINISTRATIVE SALARIES	53,169.98	1.40	176,170.00	2.16
OFFICE WAGES	23,838.93	0.63	71,933.77	0.88
SALES WAGES	41,395.54	1.09	88,597.86	1.09
DIRECT WAGES	157,592.93	4.15	303,799.66	3.73
INDIRECT WAGES	11,973.75	0.32	26,013.75	0.32
PAYROLL TAXES	26,579.13	0.70	52,671.10	0.65
WORKMANS COMP. INSURANCE	13,710.60	0.36	29,103.39	0.36
GROUP INSURANCE	45,327.38	1.19	83,542.44	1.03
OUTSIDE LABOR	21,978.44	0.58	61,040.55	0.75
ADVERTISING	5,692.95	0.15	10,864.09	0.13
AUTO & TRAVEL	26,673.07	0.70	53,303.99	0.65
BAD DEBTS	0.00	0.00	26.35	0.00
COMPUTER EXPENSE	5,958.85	0.16	10,894.09	0.13
DIRECTORS FEES	4,500.00	0.12	9,000.00	0.11
DONATIONS	139.50	0.00	139.50	0.00
DRUM MAINTENANCE	64,871.95	1.71	120,561.65	1.48
DUES & SUBSCRIPTIONS	2,647.54	0.07	5,558.51	0.07
EMPLOYEE WELFARE	4,225.68	0.11	8,092.86	0.10
EQUIPMENT RENTAL	449.24	0.01	1,007.80	0.01
FREIGHT-IN	34,950.89	0.92	74,074.42	0.91
FREIGHT OUT	34,162.21	0.90	78,002.32	0.96
CASUALTY INSURANCE	45,524.00	1.20	92,990.61	1.14
LAB EXPENSE	3,207.20	0.08	5,323.39	0.07
OFFICE SUPPLIES	11,599.99	0.31	16,068.04	0.20
PRINTING PREP. EXPENSE	485.25	0.01	4,971.91	0.06
PLANT EXPENSE	24,217.10	0.64	46,599.52	0.57
POSTAGE	2,852.63	0.08	6,109.59	0.08
PROFESSIONAL SERVICES	35,918.68	0.95	52,905.90	0.65
PROFIT SHARING EXPENSE	7,425.33	0.20	13,906.83	0.17
RENT	66,900.00	1.76	132,900.00	1.63
REPAIRS & MAINTENANCE	16,539.24	0.44	29,504.97	0.36
SALES PROM. TRAVEL	4,389.50	0.12	12,427.05	0.15
BUSINESS PROMOTION	12,313.17	0.32	17,496.21	0.21
TANK TESTING EXPENSE	9,425.00	0.25	18,725.00	0.23
TAXES & LICENSES	9,318.83	0.25	17,971.01	0.22
TELEPHONE	9,659.66	0.25	20,367.47	0.25
TRUCK EXPENSE	67,629.69	1.78	129,418.67	1.59
UNIFORM EXPENSE	174.31	0.00	893.58	0.01
UTILITIES	8,299.71	0.22	17,085.78	0.21
COMMISSIONS -BORTZ	42,827.44	1.13	92,597.20	1.14
DEPRECIATION	99,934.89	2.63	194,593.89	2.39
TOTAL OPERATING EXPENSES	$1,058,480.18	27.88	$2,187,254.72	26.87

BR000367

ANGELES CHEMICAL COMPANY, INCORPORATED
STATEMENT OF INCOME
UNAUDITED
FOR THE TWELVE MONTHS ENDED APRIL 30, 1990

	CURRENT PERIOD	%	YEAR TO DATE	%
OPERATING INCOME (LOSS)	$ (153,252.57)	(4.04)	$ (247,821.57)	(3.04)
OTHER INCOME OR (EXPENSE)				
DISCOUNTS EARNED	316.52	0.01	1,614.01	0.02
DEMURRAGE	51.25	0.00	1,202.50	0.01
INTEREST INCOME	8,803.32	0.23	14,556.36	0.18
SALARY REIMBURSEMENT	321.75	0.01	1,141.53	0.01
MISCELLANEOUS INCOME	0.00	0.00	879.62	0.01
PAILS	572.88	0.02	1,436.54	0.02
SALE OF ASSETS	100.00	0.00	0.00	0.00
TERMINALING CHARGES	19,441.45	0.51	35,719.29	0.44
INTEREST EXPENSE	(5,680.95)	(0.15)	(9,113.17)	(0.11)
CONSULTANT EXPENSE	(9,583.34)	(0.25)	(38,333.36)	(0.47)
TOTAL OTHER INCOME (EXPENSE)	14,342.88	0.38	9,103.32	0.11
INCOME OR (LOSS) BEFORE INCOME TAXES	(138,909.69)	(3.66)	(238,718.25)	(2.93)
CREDIT (PROVISION) FOR INCOME TAXES	0.00	0.00	(600.00)	(0.01)
NET INCOME (LOSS)	$ (138,909.69)	(3.66)	$ (239,318.25)	(2.94)

ANGELES CHEMICAL COMPANY, INCORPORATED
STATEMENT OF INCOME DETAIL
UNAUDITED
FOR THE TWELVE MONTHS ENDED APRIL 30, 1990

	CURRENT PERIOD	%	YEAR TO DATE	%
SOLVENTS -SALES	$2,213,567.30	100.13	$4,909,121.86	100.07
RETURNS & ALLOWANCES	(2,972.44)	(0.13)	(3,335.86)	(0.07)
TOTAL SALES	2,210,594.86	100.00	4,905,786.00	100.00
COST OF SALES	1,830,463.22	82.80	3,995,854.90	81.45
GROSS PROFIT	380,131.64	17.20	909,931.10	18.55
PACKAGING -SALES	266,869.10	100.18	561,849.17	100.97
RETURNS & ALLOWANCES	(468.30)	(0.18)	(5,397.64)	(0.97)
TOTAL SALES	266,400.80	100.00	556,451.53	100.00
COST OF SALES	200,563.82	75.29	429,609.42	77.21
GROSS PROFIT	65,836.98	24.71	126,842.11	22.79
BORTZ -SALES	1,327,140.10	100.62	2,690,474.06	100.51
RETURNS & ALLOWANCES	(7,050.24)	(0.53)	(7,575.85)	(0.28)
SALES DISCOUNTS	(1,102.12)	(0.08)	(6,155.72)	(0.23)
TOTAL SALES	1,318,987.74	100.00	2,676,742.49	100.00
COST OF SALES	861,862.69	65.34	1,774,082.55	66.28
GROSS PROFIT	457,125.05	34.66	902,659.94	33.72
TOTAL GROSS PROFIT	$ 905,227.61	23.85	$1,939,433.15	23.83

ANGELES CHEMICAL COMPANY, INCORPORATED
STATEMENT OF CASH FLOWS
UNAUDITED
FOR THE TWELVE MONTHS ENDED APRIL 30, 1990

	CURRENT PERIOD	YEAR TO DATE
CASH FLOWS FROM OPERATING ACTIVITIES:		
NET INCOME (LOSS)	$ (138,909.69)	$ (239,318.25)
ADJUSTMENTS TO RECONCILE NET INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES:		
DEPRECIATION	99,934.89	194,593.89
CHANGE IN ASSETS AND LIABILITIES		
ACCOUNTS RECEIVABLE	(253,395.99)	(45,422.94)
INVENTORY	86,717.45	(8,767.85)
PREPAID EXPENSES	(29,268.40)	90,378.20
DEPOSITS	17,262.95	15,872.45
ACCOUNTS PAYABLE	215,712.46	67,794.84
ACCRUED EXPENSES	(38,640.59)	(790.16)
CUSTOMER DEPOSITS	3,181.55	20,146.05
INCOME TAXES PAYABLE	0.00	(300.00)
TOTAL ADJUSTMENTS	101,504.32	333,504.48
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(37,405.37)	94,186.23
CASH FLOWS FROM INVESTING ACTIVITIES:		
LOANS ADVANCED	(81,745.97)	(169,638.10)
COLLECTION OF LOAN ADVANCES	63,509.14	136,148.59
CAPITAL EXPENDITURES	735.48	(56,189.13)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(17,501.35)	(89,678.64)
CASH FLOWS FROM FINANCING ACTIVITIES:		
PROCEEDS FROM LOANS	122,805.07	122,805.07
PRINCIPAL PAYMENTS ON LOANS	(65,410.52)	(157,263.44)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	57,394.55	(34,458.37)
NET INCREASE (DECREASE) IN CASH	2,487.83	(29,950.78)
CASH AT BEGINNING OF PERIOD	338,636.25	371,074.86
CASH AT END OF PERIOD	$ 341,124.08	$ 341,124.08

APPENDIX II

Qualifications of
Bramstedt & Associates, Inc.

Eric M. Bramstedt, CFA, has over 27 years experience in the field of financial analysis, equity evaluations, securities analysis and investment banking. He has prepared well over 250 business valuations on closely held companies for merger and acquisition, gift and estate taxes, Employee Stock Ownership Plans (ESOPs), incentive stock option plans and others. These valuations have covered a broad industry scope of closely held and public companies including several Fortune 1000 listings. Mr. Bramstedt possesses in-depth knowledge of ESOP functions and valuation through ten years of extensive experience with three leading ESOP design and valuation firms--Menke & Associates, Kelso & Co. and Houlihan, Lokey, Howard & Zukin.

Mr. Bramstedt is an industry specialist in transportation, particularly trucking. As such, he has investigated the operations and appraised the business values of several hundred motor carriers, many of which are located in California. Clients have included major domestic and international transportation companies for acquisition and investment banking and other applications. Mr. Bramstedt is Director of the PCTB Consulting Group, a division of the Pacific Coast Tariff Bureau of San Francisco. As such, he is editor of CAL-TIPS, an annual operating and financial study of the California less-than-truckload business.

Mr. Bramstedt is a Chartered Financial Analyst (CFA) and a member of the Association for Investment Management and Research, the Transportation Research Forum, the Valuation Roundtable of San Francisco, the National Accounting and Finance Council (ATA) and an associate member of the California Trucking Association. He holds a Bachelor's Degree in Economics from Stanford University. He has written articles for industry periodicals relating to transportation valuation and financing and has appeared as an expert witness before the California Public Utilities Commission.

ANGELES CHEMICAL COMPANY, INCORPORATED
STATEMENT OF INCOME
UNAUDITED
FOR THE TWELVE MONTHS ENDED APRIL 30, 1990

	F1989 ~~CURRENT PERIOD~~	%	F1990 ~~YEAR TO-DATE~~	%
SALES			$8,138,980.02	100.00
COST OF SALES			6,199,546.87	76.17
GROSS PROFIT			1,939,433.15	23.83
OPERATING EXPENSES				
ADMINISTRATIVE SALARIES	124,001.1		176,170.00	2.16
OFFICE WAGES	98,748		71,933.77	0.88
SALES WAGES	77,829	.9	88,597.86	1.09
DIRECT WAGES	269,971	3.0	303,799.66	3.73
INDIRECT WAGES	48,687	.5	26,013.75	0.32
PAYROLL TAXES	49,771	.6	52,671.10	0.65
WORKMANS COMP. INSURANCE	29,622		29,103.39	0.36
GROUP INSURANCE	72,783		83,542.44	1.03
OUTSIDE LABOR	96,921		61,040.55	0.75
ADVERTISING			10,864.09	0.13
AUTO & TRAVEL	43,350		53,303.99	0.65
BAD DEBTS			26.35	0.00
COMPUTER EXPENSE			10,894.09	0.13
DIRECTORS FEES	7,000		9,000.00	0.11
DONATIONS			139.50	0.00
DRUM MAINTENANCE	158,626		120,561.65	1.48
DUES & SUBSCRIPTIONS			5,558.51	0.07
EMPLOYEE WELFARE			8,092.86	0.10
EQUIPMENT RENTAL			1,007.80	0.01
FREIGHT-IN	72,478		74,074.42	0.91
FREIGHT OUT	115,995		78,002.32	0.96
CASUALTY INSURANCE	99,474		92,990.61	1.14
LAB EXPENSE			5,323.39	0.07
OFFICE SUPPLIES			16,068.04	0.20
PRINTING PREP. EXPENSE			4,971.91	0.06
PLANT EXPENSE	35,359		46,599.52	0.57
POSTAGE			6,109.59	0.08
PROFESSIONAL SERVICES	36,735		52,905.90	0.65
PROFIT SHARING EXPENSE			13,906.83	0.17
RENT	132,000		132,900.00	1.63
REPAIRS & MAINTENANCE			29,504.97	0.36
SALES PROM. TRAVEL			12,427.05	0.15
BUSINESS PROMOTION			17,496.21	0.21
TANK TESTING EXPENSE	0		18,725.00	0.23
TAXES & LICENSES			17,971.01	0.22
TELEPHONE			20,367.47	0.25
TRUCK EXPENSE	115,210		129,418.67	1.59
UNIFORM EXPENSE			893.58	0.01
UTILITIES			17,085.78	0.21
COMMISSIONS -BORTZ	92,191		92,597.20	1.14
DEPRECIATION			194,593.89	2.39
TOTAL OPERATING EXPENSES			$2,187,254.72	26.87

SEE ACCOUNTAI

BRAMSTEDT ASSOCIATES
FINANCIAL CONSULTING • BUSINESS VALUATIONS

October 15, 1990

PERSONAL AND CONFIDENTIAL

Mr. John Locke
Angeles Chemical Co.
P.O. Box 2163
Santa Fe Springs, California 90670

Dear John:

Enclosed are three copies of the Anchem ESOP valuation study for April 30, 1990 and our invoice for $2,750.

Sincerely yours,

Eric Bramstedt

Eric M. Bramstedt

EMB:ew
enclosures

1914 MAR WEST • TIBURON • CALIFORNIA 94920
(415) 435-9438

REPORT OF

ANGELES CHEMICAL COMPANY, INCORPORATED

APRIL 30, 1990

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ARCHER, BULMAHN & CO.
CERTIFIED PUBLIC ACCOUNTANTS

ARCHER, BULMAHN & CO.
626 SOUTH LAKE AVENUE
PASADENA, CALIFORNIA 91106

TO THE BOARD OF DIRECTORS
ANGELES CHEMICAL COMPANY, INCORPORATED

WE HAVE COMPILED THE ACCOMPANYING BALANCE SHEET OF ANGELES CHEMICAL COMPANY, INCORPORATED AS OF APRIL 30, 1990 AND THE RELATED STATEMENTS OF INCOME AND CASH FLOWS FOR THE SIX MONTHS AND YEAR THEN ENDED, IN ACCORDANCE WITH STANDARDS ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS.

A COMPILATION IS LIMITED TO PRESENTING IN THE FORM OF FINANCIAL STATEMENTS INFORMATION THAT IS THE REPRESENTATION OF MANAGEMENT. WE HAVE NOT AUDITED OR PERFORMED A REVIEW SERVICE ON THE ACCOMPANYING FINANCIAL STATEMENTS, AND ACCORDINGLY, DO NOT EXPRESS AN OPINION OR ANY OTHER FORM OF ASSURANCE ON THEM.

MANAGEMENT HAS ELECTED TO OMIT SUBSTANTIALLY ALL OF THE DISCLOSURES REQUIRED BY GENERALLY ACCEPTED ACCOUNTING PRINCIPLES. IF THE OMITTED DISCLOSURES WERE INCLUDED IN THE FINANCIAL STATEMENTS, THEY MIGHT INFLUENCE THE USER'S CONCLUSIONS ABOUT THE COMPANY'S FINANCIAL POSITION, RESULTS OF OPERATIONS, AND CASH FLOWS. ACCORDINGLY, THESE FINANCIAL STATEMENTS ARE NOT DESIGNED FOR THOSE WHO ARE NOT INFORMED ABOUT SUCH MATTERS.

Archer, Bulmahn + Co.
CERTIFIED PUBLIC ACCOUNTANTS

SEPTEMBER 13, 1990

ANGELES CHEMICAL COMPANY, INCORPORATED
BALANCE SHEET
UNAUDITED
APRIL 30, 1990

ASSETS

CURRENT ASSETS		
PETTY CASH		$ 2,544.26
CASH IN BANK		315,036.84
CASH IN BANK - PAYROLL		(86.47)
CASH IN BANK -BORTZ		12,811.76
CASH IN BANK - WHITTIER CRED		506.67
CASH IN MONEY MARKET		10,311.02
ACCOUNTS RECEIVABLE	1,143,325.64	
ALLOW. FOR DOUBTFUL ACCTS.	(11,000.55)	
NET ACCOUNTS RECEIVABLE		1,132,325.09
ACCTS. REC. - STALLION		61,196.19
ACCTS. REC. - OTHER		27,592.31
EMPLOYEE ADVANCES		1,555.00
INVENTORY - CHEMICALS		308,796.40
INVENTORY -PACKAGING		70,805.73
INVENTORY -PKG.-BORTZ		231,281.25
INVENTORY -GASOLINE		6,981.57
PREPAID INCOME TAX		1,000.00
PREPAID INTEREST		10,039.42
PREPAID PROPERTY TAX		2,367.69
PREPAID INSURANCE		108,325.67
PREPAID AUTO INSURANCE		387.50
PREPAID CONSULTANTS FEES		2,240.72
PREPAID PACKAGING		20,904.55
TOTAL CURRENT ASSETS		2,326,923.07
FIXED ASSETS		
OFFICE TRAILER	97,811.43	
TRUCKS & AUTOS	220,385.36	
TANKS & PLANT EQUIPMENT	802,790.48	
FURNITURE & FIXTURES	207,061.21	
PLANT	351,755.97	
DRUMS	151,776.06	
TOTAL FIXED ASSETS	1,831,580.51	
LESS: ACCUMULATED DEPRECIATION	(1,366,504.08)	
NET FIXED ASSETS		465,076.43
TOTAL ASSETS		$ 2,791,999.50

SEE ACCOUNTANTS' COMPILATION REPORT

ANGELES CHEMICAL COMPANY, INCORPORATED
BALANCE SHEET
UNAUDITED
APRIL 30, 1990

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
NOTES PAYABLE	$ 83,509.51	
ACCOUNTS PAYABLE	773,104.58	
OTHER ACCRUED LIABILITIES	10,304.98	
ACCRUED TANK TESTING	3,303.07	
ACCRUED PAYROLL	14,991.85	
ACCRUED COMMISSIONS	9,556.28	
ACCRUED WORKMANS COMP.INS.	2,606.57	
SALES TAX PAYABLE	5,222.67	
DRUM DEPOSITS	139,496.05	
DRUM DEPOSITS	(59,496.05)	
EMPLOYEE BENEFIT & WELFARE	620.61	
TOTAL CURRENT LIABILITIES		983,220.12
LONG-TERM LIABILITIES		
NOTE PAYABLE		22,176.44
TOTAL LIABILITIES		1,005,396.56
STOCKHOLDERS' EQUITY		
COMMON STOCK - $.10 PAR VALUE, 1,000,000 SHS. AUTHORIZED, 54,065 SHS. ISSUED & OUTSTANDING		5,406.50
PAID IN CAPITAL		105,723.80
RETAINED EARNINGS - BEGINNING	$ 1,914,790.89	
NET INCOME OR (LOSS)	(239,318.25)	
RETAINED EARNINGS		1,675,472.64
TOTAL STOCKHOLDERS' EQUITY		1,786,602.94
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		$ 2,791,999.50

ANGELES CHEMICAL COMPANY, INCORPORATED
STATEMENT OF INCOME
UNAUDITED
FOR THE TWELVE MONTHS ENDED APRIL 30, 1990

	CURRENT PERIOD	%	YEAR TO DATE	%
SALES	$3,795,983.40	100.00	$8,138,980.02	100.00
COST OF SALES	2,890,755.79	76.15	6,199,546.87	76.17
GROSS PROFIT	905,227.61	23.85	1,939,433.15	23.83
OPERATING EXPENSES				
ADMINISTRATIVE SALARIES	53,169.98	1.40	176,170.00	2.16
OFFICE WAGES	23,838.93	0.63	71,933.77	0.88
SALES WAGES	41,395.54	1.09	88,597.86	1.09
DIRECT WAGES	157,592.93	4.15	303,799.66	3.73
INDIRECT WAGES	11,973.75	0.32	26,013.75	0.32
PAYROLL TAXES	26,579.13	0.70	52,671.10	0.65
WORKMANS COMP. INSURANCE	13,710.60	0.36	29,103.39	0.36
GROUP INSURANCE	45,327.38	1.19	83,542.44	1.03
OUTSIDE LABOR	21,978.44	0.58	61,040.65	0.75
ADVERTISING	5,692.95	0.15	10,864.09	0.13
AUTO & TRAVEL	26,673.07	0.70	53,303.99	0.65
BAD DEBTS	0.00	0.00	26.35	0.00
COMPUTER EXPENSE	5,958.85	0.16	10,894.09	0.13
DIRECTORS FEES	4,500.00	0.12	9,000.00	0.11
DONATIONS	139.50	0.00	139.50	0.00
DRUM MAINTENANCE	64,871.95	1.71	120,561.65	1.48
DUES & SUBSCRIPTIONS	2,647.54	0.07	5,558.51	0.07
EMPLOYEE WELFARE	4,225.68	0.11	8,092.86	0.10
EQUIPMENT RENTAL	449.24	0.01	1,007.80	0.01
FREIGHT-IN	34,950.89	0.92	74,074.42	0.91
FREIGHT OUT	34,162.21	0.90	78,002.32	0.96
CASUALTY INSURANCE	45,524.00	1.20	92,990.61	1.14
LAB EXPENSE	3,207.20	0.08	5,323.39	0.07
OFFICE SUPPLIES	11,599.99	0.31	16,068.04	0.20
PRINTING PREP. EXPENSE	485.25	0.01	4,971.91	0.06
PLANT EXPENSE	24,217.10	0.64	46,599.52	0.57
POSTAGE	2,852.63	0.08	6,109.59	0.08
PROFESSIONAL SERVICES	35,918.68	0.95	52,905.90	0.65
PROFIT SHARING EXPENSE	7,425.33	0.20	13,906.83	0.17
RENT	66,900.00	1.76	132,900.00	1.63
REPAIRS & MAINTENANCE	16,539.24	0.44	29,504.97	0.36
SALES PROM. TRAVEL	4,389.50	0.12	12,427.05	0.15
BUSINESS PROMOTION	12,313.17	0.32	17,496.21	0.21
TANK TESTING EXPENSE	9,425.00	0.25	18,725.00	0.23
TAXES & LICENSES	9,318.83	0.25	17,971.01	0.22
TELEPHONE	9,659.66	0.25	20,367.47	0.25
TRUCK EXPENSE	67,629.69	1.78	129,418.67	1.59
UNIFORM EXPENSE	174.31	0.00	893.58	0.01
UTILITIES	8,299.71	0.22	17,085.78	0.21
COMMISSIONS -BORTZ	42,827.44	1.13	92,597.20	1.14
DEPRECIATION	99,934.89	2.63	194,593.89	2.39
TOTAL OPERATING EXPENSES	$1,058,480.18	27.88	$2,187,254.72	26.87

SEE ACCOUNTANTS' COMPILATION REPORT

ANGELES CHEMICAL COMPANY, INCORPORATED
STATEMENT OF INCOME
UNAUDITED
FOR THE TWELVE MONTHS ENDED APRIL 30, 1990

	CURRENT PERIOD	%	YEAR TO DATE	%
OPERATING INCOME (LOSS)	$ (153,252.57)	(4.04)	$ (247,821.57)	(3.04)
OTHER INCOME OR (EXPENSE)				
DISCOUNTS EARNED	316.52	0.01	1,614.01	0.02
DEMURRAGE	51.25	0.00	1,202.50	0.01
INTEREST INCOME	8,803.32	0.23	14,556.36	0.18
SALARY REIMBURSEMENT	321.75	0.01	1,141.53	0.01
MISCELLANEOUS INCOME	0.00	0.00	879.62	0.01
PAILS	572.88	0.02	1,436.54	0.02
SALE OF ASSETS	100.00	0.00	0.00	0.00
TERMINALING CHARGES	19,441.45	0.51	35,719.29	0.44
INTEREST EXPENSE	(5,680.95)	(0.15)	(9,113.17)	(0.11)
CONSULTANT EXPENSE	(9,583.34)	(0.25)	(38,333.36)	(0.47)
TOTAL OTHER INCOME (EXPENSE)	14,342.88	0.38	9,103.32	0.11
INCOME OR (LOSS) BEFORE INCOME TAXES	(138,909.69)	(3.66)	(238,718.25)	(2.93)
CREDIT (PROVISION) FOR INCOME TAXES	0.00	0.00	(600.00)	(0.01)
NET INCOME (LOSS)	$ (138,909.69)	(3.66)	$ (239,318.25)	(2.94)

SEE ACCOUNTANTS' COMPILATION REPORT

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ANGELES CHEMICAL COMPANY, INCORPORATED
STATEMENT OF INCOME DETAIL
UNAUDITED
FOR THE TWELVE MONTHS ENDED APRIL 30, 1990

	CURRENT PERIOD	%	YEAR TO DATE	%
SOLVENTS -SALES	$2,213,567.30	100.13	$4,909,121.86	100.07
RETURNS & ALLOWANCES	(2,972.44)	(0.13)	(3,335.86)	(0.07)
TOTAL SALES	2,210,594.86	100.00	4,905,786.00	100.00
COST OF SALES	1,830,463.22	82.80	3,995,854.90	81.45
GROSS PROFIT	380,131.64	17.20	909,931.10	18.55
PACKAGING -SALES	266,869.10	100.18	561,849.17	100.97
RETURNS & ALLOWANCES	(468.30)	(0.18)	(5,397.64)	(0.97)
TOTAL SALES	266,400.80	100.00	556,451.53	100.00
COST OF SALES	200,563.82	75.29	429,609.42	77.21
GROSS PROFIT	65,836.98	24.71	126,842.11	22.79
BORTZ -SALES	1,327,140.10	100.62	2,690,474.06	100.51
RETURNS & ALLOWANCES	(7,050.24)	(0.53)	(7,575.85)	(0.28)
SALES DISCOUNTS	(1,102.12)	(0.08)	(6,155.72)	(0.23)
TOTAL SALES	1,318,987.74	100.00	2,676,742.49	100.00
COST OF SALES	861,862.69	65.34	1,774,082.55	66.28
GROSS PROFIT	457,125.05	34.66	902,659.94	33.72
TOTAL GROSS PROFIT	$ 905,227.61	23.85	$1,939,433.15	23.83

SEE ACCOUNTANTS' COMPILATION REPORT

ANGELES CHEMICAL COMPANY, INCORPORATED
STATEMENT OF CASH FLOWS
UNAUDITED
FOR THE TWELVE MONTHS ENDED APRIL 30, 1990

	CURRENT PERIOD	YEAR TO DATE
CASH FLOWS FROM OPERATING ACTIVITIES:		
NET INCOME (LOSS)	$ (138,909.69)	$ (239,318.25)
ADJUSTMENTS TO RECONCILE NET INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES:		
DEPRECIATION	99,934.89	194,593.89
CHANGE IN ASSETS AND LIABILITIES		
ACCOUNTS RECEIVABLE	(253,395.99)	(45,422.94)
INVENTORY	86,717.45	(8,767.85)
PREPAID EXPENSES	(29,268.40)	90,378.20
DEPOSITS	17,262.95	15,872.45
ACCOUNTS PAYABLE	215,712.46	67,794.84
ACCRUED EXPENSES	(38,640.59)	(790.16)
CUSTOMER DEPOSITS	3,181.55	20,146.05
INCOME TAXES PAYABLE	0.00	(300.00)
TOTAL ADJUSTMENTS	101,504.32	333,504.48
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(37,405.37)	94,186.23
CASH FLOWS FROM INVESTING ACTIVITIES:		
LOANS ADVANCED	(81,745.97)	(169,638.10)
COLLECTION OF LOAN ADVANCES	63,509.14	136,148.59
CAPITAL EXPENDITURES	735.48	(56,189.13)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(17,501.35)	(89,678.64)
CASH FLOWS FROM FINANCING ACTIVITIES:		
PROCEEDS FROM LOANS	122,805.07	122,805.07
PRINCIPAL PAYMENTS ON LOANS	(65,410.52)	(157,263.44)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	57,394.55	(34,458.37)
NET INCREASE (DECREASE) IN CASH	2,487.83	(29,950.78)
CASH AT BEGINNING OF PERIOD	338,636.25	371,074.86
CASH AT END OF PERIOD	$ 341,124.08	$ 341,124.08

SEE ACCOUNTANTS' COMPILATION REPORT

Amcham

Other Income
Sale of assets '89 – $42K

Other Expense
loss on stock sale '89 $46K

[illegible]

...es the problems confronting Angeles and its ESOP participants.

Valuation Summary
Angeles Chemical Co., Inc.
April 30, 1990

$1,787,000	Stated Book Value	~~$2,026,000~~	$1,787,000
89,350	Less Liquidation Discount (5%)	~~101,300~~	89,350
1,697,650	Subtotal	1,924,700	1,697,650
(10%) 169,765	Less Marketability Discount (10%) ~~(15%)~~	~~288,705~~	254,647
$1,527,885	Fair Market Value	~~$1,635,995~~	1,443,000
$28.25(R)	Per Share on 54,065 Shares	~~$30.25~~ (R)	$26.70(R)

R = Rounded

Recent Stock Sale and Valuation

Revenue Ruling 59-60 suggests that arm's-length sales to knowledgeable unrelated third parties in the recent past would be a basis for valuation.

There have been no such recent transactions.

From Angeles Chemical
1983 Plan Amendment

he should have returned to work, multiplied by the percentage of vested interest determined under Section 5.01 as of such date.

5.03 - <u>Payment of Benefits</u>

(a) Payment of Participant's or Inactive Participant's distributable benefit may be made in cash or shares of Company Stock, as selected by the Committee; provided, however, that each such Participant and Inactive Participant shall have the right, in his sole discretion, to demand that such distributable benefit be distributed entirely in whole shares of Company Stock with the value of any fractional shares to be paid in cash.

(b) In the event that Company Stock acquired with the proceeds of an Exempt Loan which are available for distribution consists of more than one class, then distribution of such Company Stock, if made, must consist of substantially the same proportion of each such class of Company Stock.

(c) If the Committee determines that a person entitled to any distribution is physically unable or mentally incompetent to handle such distribution, it may direct the Trustee to apply such distribution for such person's benefit.

(d) The Trustee shall make distribution from the Trust only on instructions from the Committee.

5.04 - <u>Method of Payment</u>

(a) The manner of paying a Participant's, which for purposes of this Section shall include an Inactive Participant, distributable benefit shall be selected by the Committee from among the following forms, after consultation with the Participant or in the event of his death, with his beneficiary.

(1) A lump sum;

(2) In substantially equal annual, quarterly or monthly installments together with dividends or other income either paid or accrued thereon and any gains or losses, realized or unrealized, attributable thereto. The payments may be based on a fixed number of payments or on a fixed percentage of the Participant's Account.

ANGELES CHEMICAL COMPANY, INCORPORATED
BALANCE SHEET
UNAUDITED
APRIL 30, 1990

ASSETS

CURRENT ASSETS		
PETTY CASH		$ 2,544.26
CASH IN BANK		315,036.84
CASH IN BANK - PAYROLL		(86.47)
CASH IN BANK -BORTZ		12,811.76
CASH IN BANK - WHITTIER CRED		606.67
CASH IN MONEY MARKET		10,311.02
ACCOUNTS RECEIVABLE	1,143,325.64	
ALLOW. FOR DOUBTFUL ACCTS.	(11,000.55)	1/89
NET ACCOUNTS RECEIVABLE		1,132,325.09
ACCTS. REC. - STALLION		61,196.19
ACCTS. REC. - OTHER		27,592.31
EMPLOYEE ADVANCES		1,555.00
INVENTORY - CHEMICALS		308,796.40 305,873
INVENTORY -PACKAGING		70,805.73 — 108,082
INVENTORY -PKG.-BORTZ		231,281.25 — 304,655
INVENTORY -GASOLINE		6,981.57
PREPAID INCOME TAX		1,000.00
PREPAID INTEREST		10,039.42
PREPAID PROPERTY TAX		2,367.69
PREPAID INSURANCE		108,325.57
PREPAID AUTO INSURANCE		387.50
PREPAID CONSULTANTS FEES		2,240.72
PREPAID PACKAGING		20,904.55
TOTAL CURRENT ASSETS		2,326,923.07
FIXED ASSETS		
OFFICE TRAILER	97,811.43	
TRUCKS & AUTOS	220,385.36	
TANKS & PLANT EQUIPMENT	802,790.48	
FURNITURE & FIXTURES	207,061.21	
PLANT	351,755.97	
DRUMS	151,776.06	
TOTAL FIXED ASSETS	1,831,580.51	
LESS: ACCUMULATED DEPRECIATION	(1,366,504.08)	
NET FIXED ASSETS		465,076.43
TOTAL ASSETS		$ 2,791,999.50

SEE ACCOUNTANTS' COMPILATION REPORT

ANGELES CHEMICAL COMPANY, INCORPORATED
BALANCE SHEET
UNAUDITED
APRIL 30, 1990

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
NOTES PAYABLE	$ 83,509.51	
ACCOUNTS PAYABLE	773,104.58	
OTHER ACCRUED LIABILITIES	10,304.98	
ACCRUED TANK TESTING	3,303.07	
ACCRUED PAYROLL	14,991.85	
ACCRUED COMMISSIONS	9,556.28	
ACCRUED WORKMANS COMP.INS.	2,606.57	
SALES TAX PAYABLE	5,222.67	
DRUM DEPOSITS	139,496.05	
DRUM DEPOSITS	(59,496.05)	
EMPLOYEE BENEFIT & WELFARE	620.61	
TOTAL CURRENT LIABILITIES		983,220.12
LONG-TERM LIABILITIES		
NOTE PAYABLE		22,176.44
TOTAL LIABILITIES		1,005,396.56
STOCKHOLDERS' EQUITY		
COMMON STOCK - $.10 PAR VALUE, 1,000,000 SHS. AUTHORIZED, 54,065 SHS. ISSUED & OUTSTANDING		5,406.50
PAID IN CAPITAL		105,723.80
RETAINED EARNINGS - BEGINNING	$ 1,914,790.89	
NET INCOME OR (LOSS)	(239,318.25)	
RETAINED EARNINGS		1,675,472.64
TOTAL STOCKHOLDERS' EQUITY		1,786,602.94
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		$ 2,791,999.50

SEE ACCOUNTANTS' COMPILATION REPORT

ANGELES CHEMICAL COMPANY, INCORPORATED
STATEMENT OF INCOME
UNAUDITED
FOR THE TWELVE MONTHS ENDED APRIL 30, 1990

	CURRENT PERIOD	%	YEAR TO DATE	%
OPERATING INCOME (LOSS)	$ (153,252.57)	(4.04)	$ (247,821.57)	(3.04)
OTHER INCOME OR (EXPENSE)				
DISCOUNTS EARNED	316.52	0.01	1,614.01	0.02
DEMURRAGE	51.25	0.00	1,202.50	0.01
INTEREST INCOME	8,803.32	0.23	14,556.36	0.18
SALARY REIMBURSEMENT	321.75	0.01	1,141.53	0.01
MISCELLANEOUS INCOME	0.00	0.00	879.62	0.01
PAILS	572.88	0.02	1,436.54	0.02
SALE OF ASSETS	100.00	0.00	0.00	0.00
TERMINALING CHARGES	19,441.45	0.51	36,719.29	0.44
INTEREST EXPENSE	(5,680.95)	(0.15)	(9,113.17)	(0.11)
CONSULTANT EXPENSE	(9,583.34)	(0.25)	(38,333.36)	(0.47)
TOTAL OTHER INCOME (EXPENSE)	14,342.88	0.38	9,103.32	0.11
INCOME OR (LOSS) BEFORE INCOME TAXES	(138,909.69)	(3.66)	(238,718.25)	(2.93)
CREDIT (PROVISION) FOR INCOME TAXES	0.00	0.00	(600.00)	(0.01)
NET INCOME (LOSS)	$ (138,909.69)	(3.66)	$ (239,318.25)	(2.94)

INDEX TO BUSINESSES

ENTERPRISE

Environmental Worries Slow Loans to Small Businesses

Concerned About Liability for Cleanups, Banks Shun Many Borrowers

MARKETPLACE

Technology: Cray Research to take a new direction in computer design Page B4.

Law: Court upholds law curbing criminals' book and movie profits Page B5.

Media: MCA shares surge as talks with Matsushita are confirmed Page B4.

Advertising: Young & Rubicam gives up TWA's $45 million ad account Page B8.

MANAGING

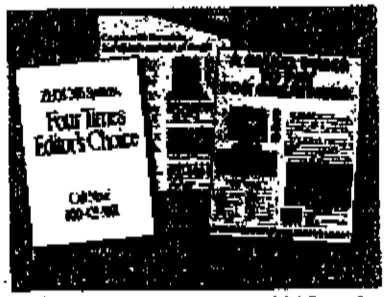
We've Got a Hunch Intuition Is 'In'

Quality Programs May Be Showing Strain

Corporate Sets Seek Friendlier Skies

Corporate Successions

Mail-Order Computers Can Be Bargains, But Some Firms Don't Deliver on Claims



Waiting for Something

Agencies Curtail Expansion Plans For Germany

BR000390

COMPARISON OF:

Income Statement	Year Ending April 30,1986	Year Ending April 30, 1987	Year Ending April 30, 1988	Year Ending April 30, 1989	YEAR ENDING APRIL 30,1990	
Sales	$12,128,721.00	$10,520,887.00	$9,442,311.00	$9,002,717.29	$8,226,488.00	← CHEVRON OUT OF PROD FOR 9 MO'S.
Cost of Sales	$9,909,464.00	$7,786,422.00	$7,039,885.00	$6,945,124.01	$6,231,669.00	
Gross Margin	$2,219,257.00	$2,734,465.00	$2,402,426.00	$2,057,593.28	$1,994,819.00	
% Gross Margin	18.30%	25.99%	25.44%	22.86%	24.25%	
Oper. Expenses						
Inventory Loss		$21,619.00			$33,068.00	
Inv loss:Damaged goods					$17,320.00	
Adm. Salaries	$207,593.00	$202,475.00	$174,075.00	$124,000.00	$173,400.00	JGL, ROD 1/4
Plant Wages	$192,918.00	$142,789.00	$880,948.00	$910,000.00	$329,814.00	
Packaging Wages		$182,924.00				
Sales Wages	$183,810.00	$133,526.00	$115,193.00	$77,825.00	$88,553.00	
Office Wages	$91,260.00	$101,146.00	$119,772.00	$90,748.31	$71,934.00	
Plant Expense	$14,553.00	$30,349.00	$46,426.00	$36,358.55	$53,919.00	
Lab Expense	$297.00	$5,333.00	$4,931.00	$5,196.60	$4,808.00	
Truck Expense	$36,752.00	$74,276.00	$108,690.00	$115,210.00	$125,292.00	
Auto & Travel	$66,305.00	$43,059.00	$51,738.00	$43,350.00	$24,442.00	
Sales Expense	$8,538.00	$11,908.00		$16,461.00	$29,529.00	
Frt.out Angeles	$193,215.00	$295,421.00	$203,130.00	$125,996.00	$161,604.00	
Frt.out LAS	$21,600.00	$12,334.00		$72,478.00		
Drum Maintenance	$126,819.00	$143,211.00	$89,484.00	$158,626.00	$120,562.00	
Tank Testing			$0,000.00	$6,600.00	$10,725.00	TANK-TESTING & CABING
Repairs & Maint.			$28,950.00	$27,121.00	$22,164.00	
Printing Prep exp			$13,940.00	$22,834.00	$4,971.00	
Supplies	$19,193.00	$81,124.00			$615.00	
supplies-lab	$1,013.00	$1,160.00		$0.00		
Outside Labor	$18,423.00	$59,156.00	$105,435.00	$96,280.00	$60,926.00	
Equipment Rental	$4,340.00	$12,248.00	$10,527.00	$1,788.00	$1,008.00	
Rent	$82,000.00	$112,000.00	$121,000.00	$132,000.00	$132,900.00	
Office Supplies	$6,886.00	$22,311.00	$11,086.00	$10,950.00	$16,737.00	
Genl & Adm Exp	$16,886.00	$12,468.00		$5,117.00		
Computer Expense	$8,942.00	$9,766.00	$12,393.00	$11,024.00	$10,894.00	
Prof. Expense	$43,500.00	$33,253.00	$40,882.00	$36,736.00	$52,906.00	ATTY. FEES 53
Taxes & License	$18,311.00	$20,988.00	$15,950.00	$16,070.00	$17,863.00	
Payroll Taxes	$53,669.00	$67,266.00	$60,878.00	$49,771.00	$52,671.00	
Business Prom.	$41,637.00	$39,376.00	$35,576.00	$14,301.00	$29,529.00	
Advertising	$8,887.00	$10,128.00	$18,347.00	$8,028.00	$10,364.00	
Postage			$3,370.00	$5,117.00	$5,250.00	
Commissions	$78,158.00	$82,418.00	$125,073.00	$92,191.00	$92,597.00	
Commissions-LAS	$164,951.00	$253,819.00	$25,148.00			
Directors Fees	$9,000.00	$9,000.00	$9,000.00	$9,000.00	$9,000.00	
Donations	$1,135.00	$1,080.00	$529.00	$182.00	$100.00	
Insurance	$85,021.00	$133,232.00	$89,254.00	$99,174.00	$92,991.00	
Stallion Ins.Pd						
Workers Comp. Ins	$6,760.00	$17,082.00	$25,514.00	$29,322.00	$31,821.00	
Group Insurance	$28,950.00	$44,186.00	$73,854.00	$72,783.00	$83,543.00	
Officer Life Ins						
Dues & Subscrpt	$5,212.00	$5,380.00	$3,781.00	$4,893.00	$5,558.00	
Utilities	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	

BR000391

				1989	1990	
Telephone	$31,756.00	$26,225.00	$30,002.00	$23,137.00	$20,317.00	
Depreciation	$105,487.00	$153,546.00	$103,777.00	$211,263.00	$189,321.00	189
misc Expensesmisc	$149.00	$116.00				
Thruput Chg Pd.				$2,323.00		
Empl.Med.Ben.	$14,187.00	$21,044.00			$0.00	
Employee-welfare		$1,517.00	$7,960.00	$8,542.00	$7,880.00	
Uniform Expense			$5,398.00			
Penalties	$765.00	$27.00				
Bad Debts		$26,330.00	$-6,226.00	$904.00	$26.00	
Profit Sharing	$31,600.00		$6,495.00	$9,546.00	$13,022.00	THIS LINE IS AN ACTUAL SUM OF THE CAL.
	$2,100,730.00	$2,512,778.00	$2,497,453.00	$2,207,930.66	$2,228,227.00	
Total Op. Exp.	$2,136,152.00	$2,636,972.00	$2,497,453.00	$2,202,818.00	$2,228,227.00	STATEMENT FIGURE
Operating Income	$92,794.00	$132,210.00	$-95,027.00			
Other Income						
Purchase Disct.	$2,731.00	$6,509.00	$6,937.00	$4,442.00	$1,614.00	
Drums Incl/Sld.		$2,685.00				
Demrg.Chg to Cust.	$4,712.00		$6,387.00	$3,439.00	$1,203.00	
Delivery Freight						
Interest Income	$27,037.00	$10,751.00	$7,286.00	$18,182.00	$14,656.00	
Dividend Income	$14,370.00	$28,414.00	$33,258.00	$4,609.00		
Leasing Income		$21,483.00				
Labor Reimburs.						
Misc. Income	$121,515.00	$3,401.00	$73,418.00	$32,168.00	$3,458.00	
Sale of Assets	$-868.00	$800.00		$41,835.00		
Terminaling Chg.				$31,314.00	$35,719.00	
other inc.Total	$179,697.00	$74,049.00	$189,119.00	$104,681.00	$56,580.00	
Other Expense						
Interest Expense		$19,172.00	$18,725.00	$8,701.00	$8,395.00	
Consultant Expense	$17,917.00	$57,500.00	$57,500.00	$57,500.00	$38,333.00	38
Start-up Expense		$7,044.00				
Other Exp.Total	$47,917.00	$83,716.00	$46,959.00	$66,201.00	$46,728.00	
extra-ordinary exp			$123,184.00	$132,408.00		
				$264,816.00		
Net Income Before Taxes	$214,574.00	$84,826.00	$47,133.00	$-106,747.72	$-223,585.00	
Prov.for Txs.	$75,000.00		$43,088.00	$42,560.00	$7,500.00	
Net Income	$139,576.00	$122,542.00	$12,484.00	$-109,876.00		
cash flo	$472,677.00	$433,653.00	$565,523.00	$404,680.00	$292,599.00	

ALB87 + + →

" 19 - Bonus

52+95+6

BR000392

Mr. Eric Bramstedt
Menke & Associates
114 Sansome Suite 1000
San Francisco, CA 94104-3821

September 21, 1990

Dear Mr. Bramstedt:

Enclosed are Angeles' 1990 financial statements for your review in valuing the company's stock.

I am currently reviewing the note "Company and Industry" from your 198~~8~~ report and will talk to you about any updates that need to be made.9

I am also trying to find an answer to whether ESOP payoff amounts paid over five years are fixed and should have that information to you next week.

Sincerly,

Tim Mahoney

Tim Mahoney
Controller

Enc

ANGELES CHEMICAL CO., INC.
8915 Sorensen Avenue • P.O. Box 2163 • Santa Fe Springs, California 90670
Telephone (213) 945-3911 • (213) 685-4386 (L.A.) • (714) 521-7660

BR000393

ANCHEM

TELECOPY TRANSMISSION
FROM
8915 Sorensen Ave.
Santa Fe Springs, Ca 90670

DATE 8-11-89 FAX TELECOPY NO: 213-698-7571

TO: MENKE & ASSOCIATES; ATTN. ERIC BRAMSTEDT
FROM: ANGELES CHEMICAL; J.G. LOCKE
NUMBER OF PAGES INCLUDING COVER SHEET: 5

IF YOU DO NOT RECEIVE ALL MATERIAL BEING TRANSMITTED, PLEASE CALL US AT (213-945-3911) AS SOON AS POSSIBLE. THANK YOU!

SPECIAL INSTRUCTIONS: ERIC: I HAVE TALKED WITH SCHUMAKER & HE EXPECTS YOUR CALL ON TUESDAY. WE HAVE OUR MEETING WITH HIM AT 11:30 TUE.

Environmental Consultants
3711 Long Beach Blvd.
Ninth Floor
Long Beach, CA 90807
213 426-9544
FAX 213 427-0805
595-9324

SCS ENGINEERS

August 7, 1989
File No. 185016.00

Mr. John Locke
Angeles Chemical Company
8915 Sorenson Avenue
Santa Fe Springs, California 90670

Subject: Revised Cost Proposal

Dear John:

As per our recent meeting, we have restructured our previous cost estimate to reflect the following:

- Drill shallow soil borings, but confine drilling activities to 1 day's drilling activities (assume one 10-hour day for these activities). Note, as per our previous discussions, that all drilling costs will be paid directly by Angeles Chemical. Our recommendation would be to use HF Drilling, who is very professional and fast.

- Analyze 5-, 10-, 15-, and 20-ft samples from each boring for EPA 8240 (volatile organics).

- This data will form a portion of a final report ultimately to be submitted to the Los Angeles County Department of Health. However, since this activity represents only partial completion of the work plan, a report will not be prepared. Rather, we anticipate having one meeting with you and your staff to discuss the results.

As we discussed, I will be out of the country beginning September 19, but will return to the office on October 16. We can initiate the drilling program sometime after I return, perhaps several weeks, thereafter.

Please call if you have questions.

Very truly yours,

Kenneth V. LaConde
Vice President
SCS ENGINEERS

KVL/jml

TABLE 1. REVISED PARTIAL COST ESTIMATE
FOR ANGELES CHEMICAL - UNDERGROUND STORAGE

	Amount ($)
ON-SITE DRILLING (ESTIMATED)	
Includes drilling activities for 1 day (assume eight borings @ 20 ft each), bentonite seals, steam cleaning, asphalt patching, etc.	2,000*
* Costs to be paid by Angeles Chemical.	
SCS COSTS	
On-site geologist (includes preparation for drilling and completion of boring logs)	1,200
Equipment rental	150
Supplies (drive tubes, etc.)	400
Laboratory analyses (32 samples @ $225 each)	7,200
Meeting	400
Miscellaneous (travel, reproduction, telephone, etc.)	50
Management and project coordination	1,350
ESTIMATED TOTAL (excluding drilling)	10,750

Environmental Consultants
3711 Long Beach Blvd.
Ninth Floor
Long Beach, CA 90807
213 426-9544
FAX 213 427-0805

SCS ENGINEERS

August 7, 1989
File No. 185016.00

Mr. John Locke
Angeles Chemical Company
8915 Sorenson Avenue
Santa Fe Springs, California 90670

DRAFT

Subject: Underground Storage Tank Investigations

Dear John:

As per your request, we have formulated some hypothetical scenarios that should provide you with a better idea of ultimate cleanup costs on your site, should you experience soil and/or ground water contamination. These are not estimates to actually do the work on your site, but rather, ballpark ranges of costs based on our experience at sites with similar problems. These scenarios are explained below.

<u>Scenario A - Minor Amounts of Chemicals Detected in Shallow Soils</u>

This is what we typically find in an underground tank farm that has data similar to that already generated by your personnel. That is, your tank and pipeline testing suggest that there have been no major spills at your facility. In addition, your inventory control system indicates that no significant quantities of products have been lost. In such cases, small amounts of contaminants may have entered the subsurface soils from minor overfilling, or perhaps very small/minute leaks in the pipeline elbows, etc. In this scenario, cleanup costs are virtually nil, since the amount of constituents in the soil is minor and would generally not concern a regulatory agency. In this scenario, detectable amounts of some solvents would be detected in the soil profile from probably 5 to 15 feet below grade, but would not be present in the lower depths at ±30 feet. The costs experienced under this scenario would be only those incurred in the course of implementing the entire underground storage tank program. A cleanup action solely for the purpose of dealing with such minor amounts of chemicals would be impractical. The only possible adverse effect under this scenario would be that if in the future you decided to install a vapor monitoring system, the vapors from chemicals already present in the soil might interfere to such an extent that vapor monitoring would not be practical.

<u>Scenario B - Moderate Soil Contamination But No Ground Water Contamination</u>

Under this scenario, moderate amounts of solvents would have been unknowingly released over the years and would have contaminated soils down to a greater depth, possibly down to 35 or 40 feet. The contamination would be significant enough to require some sort of remedial action to prevent the contaminants from reaching ground water. Vapor extraction is the most cost-effective method that we have found to remedy a situation such as this.

DRAFT

In vapor extraction, vacuum is applied to perforated pipes placed within the contaminated zone, and the vapors are vented to the surface through a combustion engine or incineration/catox unit that oxidizes these constituents into harmless carbon dioxide and water (similar to the way a car engine operates). While these systems are not inexpensive, a ballpark estimate could range from a low of about $75,000 to a high of about $300,000, depending on the quantity of chemicals actually encountered and the length of time needed to complete the venting. In addition, the Water Quality Control Board would probably insist on several ground water wells to assure that no chemicals had migrated into the first aquifer. This could cost an additional $50,000 to $100,000 depending on the monitoring program required.

Scenario C - Heavily Contaminated Subsurface Soil and Contaminated Ground Water Underneath the Site

Under this scenario, potential investigative and cleanup costs are an order of magnitude more expensive than in the previous scenario. In order to investigate the extent of contamination under such a scenario, multiple ground water wells would have to be placed both on site and off site and monitored for a period of 6 months to 1 year in order to determine the full extent of the problem. This phase alone could cost anywhere from $50,000 to $100,000 or more, depending on how many wells are necessary and the frequency of monitoring. Once it has been determined that a cleanup program is required, a complete remedial design is necessary, followed by an implementation phase. While it is virtually impossible to predict at this point what such a design for this site might cost, figures for design and implementation can easily range from a low of several hundred thousand dollars to in excess of a million dollars or more. While it is very unlikely that this is the case at your site, this cost (not to scare you, John) has been provided just to give you an idea of the magnitude of such problems. In all the cases that SCS has been involved in over the years in southern California, we have only encountered two such cases where these kinds of costs have either been incurred or eventually will be incurred, and both of these were attributable to substantial and known tank leaks.

John, as we discussed, this is only a rough draft so please feel free to either call or mark this up as you see fit and send it back to me for revision.

Very truly yours,

Kenneth V. LaConde
Vice President
SCS ENGINEERS

KVL:cj

ANGELES EXHIBIT C

COMPARISON OF THE 1979	YEAR ENDING APRIL 30, 1987	YEAR ENDING APRIL 30, 1988	YEAR ENDING APRIL 30, 1989	YEAR ENDING APRIL 30, 1990
ASSETS				
CURRENT ASSETS				
PETTY CASH	$300.00	$400.00	$400.00	$3,162.00
CASH IN BANK	$35,543.00	$-4,597.00	$123,384.00	$138,680.00
CASH IN BANK - BORTZ			$41,664.00	
CASH IN SAVINGS	$4,870.00	$8,176.00	$5,617.00	
CERT. OF DEPOSIT	$450,000.00	$5,354.00	$200,000.00	
P.A.R FUND	$414,809.00	$233,174.00	$0.00	
ACCTS. RECEIVABLE	$1,302,377.00	$1,211,446.00	$1,067,416.00	$1,143,326.00
LESS ALLOWANCE FOR DOUBTFULL ACCOUNTS	$16,884.00	$21,941.00	$11,508.00	$11,001.00
NET RECEIVABL	$1,285,493.00	$1,189,505.00	$1,055,908.00	$1,132,325.00
NOTES RECEIVABLE				
ACCTS. REC.. OTHER		$23,815.00		$27,592.00
STALLION TANK LINES	$2,637.00	$3,988.00	$44,436.00	$81,189.00
ALL OTHER			$38,988.00	
EMPLOYEE ADVANCE	$125.00	$2,319.00	$5,154.00	$1,463.00
INVENTORY-CHEMICALS	$496,123.00	$389,781.00	$305,874.00	$308,796.00
INVENTORY-PACKAGING	$67,241.00	$88,550.00	$108,081.00	$210,673.00
NET INVENTORY				
INVENTORY EXP. ALLOCATION				$61,414.00
INVENTORY FUEL				$5,717.00
INVENTORY-DRUMS	$9,385.00	$287,505.00	$304,055.00	
INVENTORY-GAS	$4,347.00	$7,027.00	$1,227.00	
PREPAID INCOME TAX		$55,888.00	$18,562.00	$1,900.00
PREPAID INTEREST		$2,755.00	$16,686.00	$10,758.00
PREPAID PROPERTY TAXES	$1,516.00	$2,027.00	$1,897.00	$2,368.00
PREPAID TANK TESTING		$-1,753.00	$0.00	
PREPAID INSURANCE	$104,044.00	$83,023.00	$109,728.00	$108,326.00
PREPAID AUTO LEASE		$775.00	$775.00	$388.00
DEPOSIT ON EQUIPMENT			$120.00	
PREPAID CONSULTING FEE	$9,583.00	$10,833.00	$8,811.00	$2,341.00
PREPAID PACKAGING		$25,570.00	$49,185.00	$22,105.00
DEPOSITS PAID - CARBOY/POLY			$6,377.00	
DEPOSITS PAID - REG. DRUMS			$10,180.00	$18,422.00
DEPOSITS PAID - PALLETS			$316.00	
PREPAID EXCISE TAX		$1,003.00		
TOTAL CURRENT ASSETS	$2,906,416.00	$2,419,685.00	$2,486,435.00	$2,347,627.00
FIXED ASSETS (AT COST)				
OFFICE TRAILER	$98,290.00	$97,011.00	$97,011.00	$97,928.00
TRUCKS AND AUTOS	$242,837.00	$187,733.00	$213,056.00	$219,337.00
TANKS & PLANT EQ.	$249,513.00	$737,214.00	$789,771.00	$804,354.00
FURN. & FIXTURES	$141,701.00	$200,635.00	$196,362.00	$207,081.00
PLANT	$39,766.00	$326,159.00	$340,713.00	$349,631.00
CONST. IN PROCESS	$307,614.00	$15,686.00	$0.00	$2,200.00
DRUMS		$158,596.00	$196,671.00	$209,626.00
TOTAL FIXED ASSETS	$1,089,751.00	$1,723,834.00	$1,844,384.00	$1,890,137.00
LESS:				
ACCUM. DEPR.	$718,068.00	$1,101,072.00	$1,202,798.00	$1,261,031.00
NET FIXED ASSETS	[illegible]	[illegible]	[illegible]	[illegible]

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